

**| THREE RIVERS SCHOOL DISTRICT
JOSEPHINE COUNTY, OREGON**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024
WITH
INDEPENDENT AUDITOR'S REPORT**



THREE RIVERS SCHOOL DISTRICT

Josephine County, Oregon

June 30, 2024

BOARD OF EDUCATION AS OF JUNE 30, 2024

Rich Halsted	Board Chair
Jennifer Johnstun	Board Vice-Chair
Pat Kelly	Member
Nancy Reese	Member
Vacant Position	Member

ADMINISTRATION

P.O. Box 160
Murphy, Oregon 97533

Dave Valenzuela	Superintendent-Clerk
Lisa Cross	Accounting Manager



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Independent Auditor's Report

Board of Educators
Three Rivers School District
Murphy, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Three Rivers School District (The District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Three Rivers School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the General Fund and Major Special Revenue Fund budgetary comparison information, certain other postemployment benefit schedules, and certain pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis, certain other postemployment benefit schedules, and certain pension schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund and Major Special Revenue Fund budgetary comparison information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund and Major Special Revenue Fund budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, other financial schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with *Oregon State Regulation*, we have also issued our report dated December 11, 2024 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Jeny L. Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 11, 2024

THREE RIVERS/JOSEPHINE COUNTY UNIT JOINT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS 30 JUNE 24

The discussion and analysis of Three Rivers School District's financial performance provides an overall review of the District's financial activities for the fiscal year ending June 30, 2024. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- In the government-wide statements, the assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2024 by \$4.8 million (net position), an increase of \$9.2 million from the prior year's net position. The primary reason for the change in net position was a significant increase in capital construction projects during the year, approximately \$7.3 million, as well as a decrease in the net liability for Post Employment Benefit obligations.
- In the General Fund, the primary operating fund for the District, the fund balance of \$10.1 million decreased \$.94 million from the prior year. Of that balance, \$6.4 million was unrestricted fund balance (the total of the committed and unassigned components of fund balance), and \$3.7 million in assigned fund balance, totaling 14% of General Fund revenue.
- Total cost of all the District's governmental programs, at \$92.3 million for the fiscal year, increased by \$3.4 million from the previous year. This is due primarily to the increase in facility upgrades and acquisition expenses.
- The District continues to pay down its bond debt from \$14.6 million to \$12.0 million. More information on long-term debt may be found in Note 7 of the financial statements.
- Capital assets increased by \$7.3 million from \$36.0 million to \$43.3 million.

Overview of the Financial Statements

The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. In addition to the basic financial statements, we provide supplementary information that you may also find useful.

Government-wide financial statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances using the accrual basis of accounting, in a manner similar to a private-sector business. These statements include:

The ***Statement of Net Position***, which presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The ***Statement of Activities***, which presents information showing how the net position of the District changed over the year, by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Overview of the Financial Statements - continued

In the government-wide financial statements, the District's activities are shown in one category, *Governmental Activities*. Most of the District's functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

Fund Financial Statements - The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives (like the Food Service Fund) or to show that it is meeting legal responsibilities for using certain grants (like Title IA, ESSER funds, and other federal, state, or locally funded grants). All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual, which measures cash and all other *financial assets* that can be readily converted to cash. The governmental fund statements provide a detailed, *short-term view* of the District's operations and the services it provides. Governmental fund information helps you to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* are reconciled in the financial statements.

The District maintains many individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Revenue, Capital Projects Fund, and Debt Service Fund, all of which are considered to be major funds.

Proprietary Funds are used to accumulate and allocate costs internally among the District's various functions. The District also uses its internal service fund for self-insurance purposes, primarily for employees' unemployment benefits, deductibles on insurance, and for the costs of vandalism.

Fiduciary Funds are used to account for resources held for the benefit of parties by the District in a trustee capacity. These funds include student scholarships and foundation funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the District's major governmental funds.

Government-Wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of the District's financial position; as of 30 June, 2024, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$4.8 million, an increase of approximately \$9.2 million from fiscal year 2023.

About 56% of the District's total assets and net deferred outflows signify its investment in capital assets, which consist of the District's land, buildings and improvements, equipment, vehicles, leased assets, and software subscriptions, and total \$43.3 million. The remaining assets consist mainly of cash and receivables. Net deferred outflows are \$11.4 million, down \$1.8 million from last year as part of GASB 68, 73, 75 pension accounting reflecting the discount rate assumption used to calculate the District's portion of OPEB (Other Post Employment Benefits).

The District's \$62.4 million in liabilities are primarily made up of \$11.2 million in long-term debt, \$37.7 million for the District's proportionate share of the State of Oregon's Public Employee Retirement System (PERS) unfunded pension liability and \$4.7 million in Other Post Employment Benefits Other Than Pension (OPEB).

The majority of the District's net position is investments in capital assets (such as land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents, consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position Summary Governmental Activities						Increase (Decrease):
Assets and Deferred Outflows	2020	2021	2022	2023	2024	2023 to 2024
Current and other assets	\$ 12,271,755	\$ 18,510,070	\$ 21,820,143	\$ 26,428,205	\$ 22,706,909	\$ (3,721,296)
Capital assets	30,339,760	29,789,866	29,000,496	35,991,392	43,269,627	7,278,235
Deferred outflows related to pension	13,896,926	17,953,837	15,186,625	13,190,067	11,382,201	(1,807,866)
Total assets and deferred outflows	56,508,441	66,253,773	66,007,264	75,609,664	77,358,737	1,749,073
Liabilities						
Current liabilities	5,722,354	5,154,968	5,881,878	10,323,710	9,194,582	(1,129,128)
Long term liabilities	68,090,379	76,864,990	48,533,630	54,255,268	53,212,275	(1,042,993)
Deferred inflows related to pension	5,758,182	5,898,210	27,018,429	15,837,315	10,145,217	(5,692,098)
Total Liabilities and deferred inflows	79,570,915	87,918,168	81,433,937	80,416,293	72,552,074	(7,864,219)
Net Position						
Net investments in capital assets	26,594,905	28,512,001	26,137,828	32,871,446	41,429,784	8,558,338
Restricted	2,808,709	2,899,479	2,918,994	4,128,410	3,318,870	(809,540)
Unrestricted	(52,466,088)	(53,075,875)	(44,483,495)	(41,404,650)	(39,941,991)	1,462,659
Total Net Assets	\$ (23,062,474)	\$ (21,664,395)	\$ (15,426,673)	\$ (4,404,794)	\$ 4,806,663	\$ 9,211,457

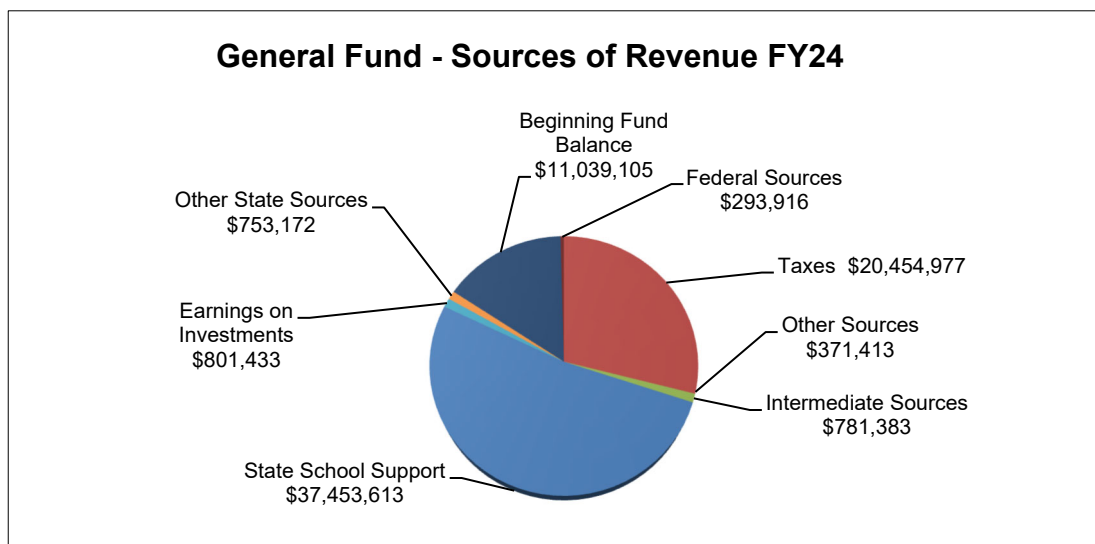
Financial Analysis of the District's Funds

The significance of the District's governmental funds is that they provide information about short-term cash flow and funding for future basic services. This information is useful in assessing the District's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2024, the District's governmental funds reported combined ending fund balances of \$14.0 million (page 3). The General Fund accounts for \$10.1 million, the Special Revenue Fund accounts for \$1.6 million, Debt Service Fund accounts for \$.33 million and Capital Projects Fund for \$2.0 million.

Governmental Funds Balance Sheet 2020 - 2024					
Assets	2020	2021	2022	2023	2024
Equity in cash and investments	4,743,834	10,502,025	12,606,272	12,248,565	13,743,727
Taxes receivable	1,609,335	1,116,236	1,049,906	1,106,734	1,303,246
Other receivables	4,320,290	5,494,279	6,336,994	13,099,948	4,836,343
Prepaid expenses	66,140	169,382	186,616	17,008	15,394
Total assets	10,739,599	17,281,922	20,179,788	26,472,255	19,898,710
Liabilities					
Accounts Payable	689,954	1,992,329	1,892,608	7,445,267	1,695,160
Accrued Payroll	364,186	1,752,089	1,500,235	1,502,474	1,793,843
Unearned/Unavailable Revenues	1,378,683	987,125	1,367,898	1,296,001	2,362,189
Total liabilities	2,432,823	4,731,543	4,760,741	10,243,742	5,851,192
Fund Balances					
Non-Spendable	66,140	169,382	186,616	17,008	15,394
Restricted Balances	1,348,209	2,803,912	2,918,994	3,437,092	2,447,516
Committed Balance	816,838	147,697	3,000,000	2,500,000	4,717,000
Assigned Balances	3,780,196	4,646,048	2,992,535	4,266,998	5,150,423
Unassigned Balances	2,295,393	4,783,340	6,320,902	6,007,415	1,717,185
Total fund balance	8,306,776	12,550,379	15,419,047	16,228,513	14,047,518

General Fund - The General Fund is the primary operating fund of the District. As of June 30, 2024, the fund balance was \$10.1 million; a decrease of \$.94 million from the previous year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to the total of fund revenues. At the end of the fiscal year, the General Fund balance was 16.6% of General Fund revenues. This was due to an \$11 million fund balance carried forward from the previous year, leveraging additional federal and state grants, and purposefully retaining the fund balance for future years.



Special Revenue – Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Federal programs make up the majority of the Special Revenue funds. The ending fund balance decreased from the prior year, down \$663 thousand from 2.3 million to 1.6 million. This decrease was due to the use of one time funds, and the spend down of certain fund balances.

Debt Service - The Ending Fund Balance in the debt service fund increased by \$74 thousand. The current ending balance is for the limited tax pension obligation bonds and the revenue source is through a payroll fringe expenditure.

Capital Projects – The Ending Fund Balance in the Capital Projects fund decreased by \$657 thousand, this was due to additional capital repairs expended in 2024.

Key Budget Variances

Expenditure budgets are appropriated at the following level of control for each fund: Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, and Other Uses of Funds which include Interfund Transactions, Debt Service and Contingency. Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels are not changed. Supplemental appropriations may occur if the Board approves them when a need exists that was not determined at the time the budget was adopted. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2024.

Capital Asset and Debt Administration

Capital Assets – The District's investment in capital assets includes land, buildings and improvements, vehicles, equipment, capital leases, and software subscriptions. As of June 30, 2024, the District had invested \$43.3 million in capital assets, net of depreciation. This is up \$7.3 million from the previous year due to the additional capital projects started in the current and previous years. The major capital asset gains were:

- Evergreen Seismic Project
- Illinois & North Valley Greenhouses
- Illinois Valley Athletic Building
- District Wide Restroom Renovations
- Fruitdale Cooling Tower
- Trash Compactor
- 4 Vehicles
- 3 Mowers

Additional information on the District's capital assets can be found in Note 5 of the financial statements.

Fixed Assets	Balance June 30, 2024
Land and Land Improvements	802,110
Buildings & Improvements / CIP	31,472,367
Vehicles and Equipment	2,791,050
Software	579,565
Leased assets	807,547
WIP	6,816,988
Total	43,269,627

Long Term Debt – At the end of the current fiscal year, the District had total debt outstanding of \$12.0 million, consisting of the following:

- PERS Bond \$ 10.6 million
- QZAB Bonds \$.35 million
- HV Turf Field \$.003 million
- IVHS FFC Bond \$.97 million

Additional information on the District's long-term debt can be found in Note 7 and 8 of this report.

Economic Factors and Next Year's Budget

Oregon's State School Fund provides the largest portion of District revenues, within the General Fund, and is comprised primarily of state and local taxes. This is the second year of the 2023-2025 biennium and a significant factor for the District is the stability of the State School Fund and student enrollment in future years. While student enrollment has stabilized since COVID-19, it has not grown as fast as anticipated and this is one of the primary data points in calculating the allocation of state funds. The September 2024 Oregon Revenue forecast stated there was an increase in General Fund and Lottery Resources for the 2023-2025 biennium. The personal and corporate kicker funds increased as well and the corporate kicker are required to be spent on K-12 education during the next biennium.

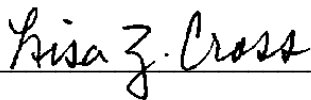
State revenue forecasts are looking positive for the 2025-2027 biennium, however there are additional operating expenses outside of the districts control that could minimize or negate any additional state funding received. Effective 2024, Senate Bill 489 created new provisions for educational workers to collect unemployment insurance. Through September of 2024 the district has paid over \$260,000 in unemployment claims and will be budgeting for increased amounts in the future. The other strain to K-12 budgets is the Public Employees Retirement System (PERS). In October 2024, the PERS board released the 2023 Actuarial Valuation that identifies employer contribution rates for the 2025-2027 biennium. The Three Rivers School District will see an increase of 4.66% for Tier One/Tier Two employees and 4.32% for OPSIRP employees.


Current contract agreements with the TRSD classified employees (OSEA) and TRSD licensed employees (TREA/SOBC) are in place through 2025 and 2026, respectively. The agreements provide cost of living increases, step movement for qualified employees, and insurance cap increases.

In addition, the District has received \$27.4 million in Elementary and Secondary Education Relief funding since fiscal year 2021. The majority of these grants have been spent on capital investments and will be completely expended by September 2024.

Requests for Information

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Accounting Manager at 8550 New Hope Road, Grants Pass, Oregon 97527.

 _____, Accounting Manager

 _____, Superintendent



| BASIC FINANCIAL STATEMENTS



| GOVERNMENT-WIDE FINANCIAL STATEMENTS

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS:	
ASSETS:	
Cash, cash equivalents, and investments	\$ 15,428,945
Receivables	6,139,589
Inventories	15,394
Assets held in trust (Sinking fund)	251,627
Other post employment benefit (RHIA)	871,354
Capital assets, net:	
Land	802,110
Construction in progress	6,816,988
Buildings and improvements	31,472,367
Machinery, equipment and vehicles	2,791,050
Intangible assets:	
Right of use assets	807,547
Software subscriptions	579,565
TOTAL ASSETS	65,976,536
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pension	10,858,147
Deferred outflows related to pension (Stipend)	222,564
Deferred outflows related to other post employment benefits	263,399
Deferred outflows related to other post employment benefits (RHIA)	38,091
TOTAL DEFERRED OUTFLOWS	11,382,201
TOTAL ASSETS AND DEFERRED OUTFLOWS	77,358,737
LIABILITIES AND DEFERRED INFLOWS:	
LIABILITIES:	
Accounts payable	1,713,381
Accrued payroll liabilities	1,944,983
Accrued interest payable	4,593
Unearned revenue	1,342,275
Accrued compensated absences	189,382
Pension liability (stipend)	
Due within one year	241,696
Due in more than one year	1,876,976
Other post employment benefit obligation (medical)	
Due within one year	359,874
Due in more than one year	4,359,394
Net pension liability (OPERS) (due in more than one year)	37,657,833
Leases and subscriptions payable:	
Due within one year	244,602
Due in more than one year	515,072
Note payable:	
Due within one year	2,885
Debt payable:	
Due within one year	3,150,911
Due in more than one year	8,803,000
TOTAL LIABILITIES	62,406,857
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pension	8,267,416
Deferred inflows related to pension (Stipend)	669,698
Deferred inflows related to other post employment benefits	1,100,876
Deferred inflows related to other post employment benefits (RHIA)	107,227
TOTAL DEFERRED INFLOWS	10,145,217
TOTAL LIABILITIES AND DEFERRED INFLOWS	72,552,074
NET POSITION:	
Net investment in capital assets	41,429,784
Restricted for:	
Education grants	1,198
Student body	1,262,067
Food Service	3,344
Debt service	329,492
Capital projects	851,415
RHIA OPEB asset	871,354
Unrestricted	(39,941,991)
TOTAL NET POSITION	\$ 4,806,663

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR END JUNE 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change In Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Instruction	\$ 41,331,400	\$ 683,780	\$ 12,134,628	\$ -	\$ (28,512,992)
Supporting services	33,780,551	380,803	7,181,357	-	(26,218,391)
Community services	2,685,570	175,125	3,248,027	-	737,582
Facilities acquisition and construction	1,128	-	-	2,416,477	2,415,349
Interest on long term liabilities	798,023	-	-	-	(798,023)
Total government activities	<u>\$ 78,596,672</u>	<u>\$ 1,239,708</u>	<u>\$ 22,564,012</u>	<u>\$ 2,416,477</u>	<u>(52,376,475)</u>
General revenues:					
Property taxes levied for general purposes					20,580,724
Construction excise tax					227,763
State school fund - general support					37,453,612
Common school fund					613,118
Federal forest fees					97,561
Unrestricted state and local sources					777,291
Earnings on investments					984,817
Contributions					91,420
Gain (Loss) on sale of fixed assets					8,334
Miscellaneous					753,292
Total general revenues					<u>61,587,932</u>
CHANGE IN NET POSITION					9,211,457
NET POSITION - JULY 1, 2023					<u>(4,404,794)</u>
NET POSITION - JUNE 30, 2024					<u>\$ 4,806,663</u>



| FUND FINANCIAL STATEMENTS

**THREE RIVERS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS:					
Equity in pooled cash and investments	\$ 10,704,764	\$ 889,837	\$ 329,492	\$ 1,568,007	\$ 13,492,100
Receivables	2,254,362	3,354,702	-	530,525	6,139,589
Inventory	15,394	-	-	-	15,394
Assets held in trust (Sinking fund)	-	-	-	251,627	251,627
TOTAL ASSETS	\$ 12,974,520	\$ 4,244,539	\$ 329,492	\$ 2,350,159	\$ 19,898,710
LIABILITIES:					
Accounts payable	\$ 439,974	\$ 892,110	\$ -	\$ 363,076	\$ 1,695,160
Accrued payroll liabilities	1,410,513	383,330	-	-	1,793,843
Unearned revenue	-	1,342,275	-	-	1,342,275
TOTAL LIABILITIES	1,850,487	2,617,715	-	363,076	4,831,278
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,019,914	-	-	-	1,019,914
TOTAL DEFERRED INFLOWS	1,019,914	-	-	-	1,019,914
Fund Balances:					
Nonspendable:					
Inventory	15,394	-	-	-	15,394
Restricted:					
Education - grants	-	1,198	-	-	1,198
Student body funds	-	1,262,067	-	-	1,262,067
Food service	-	3,344	-	-	3,344
Debt service	-	-	329,492	-	329,492
Energy conservation - SB1149	-	-	-	497,108	497,108
Excise tax projects	-	-	-	354,307	354,307
Committed:					
Emergency funds	4,717,000	-	-	-	4,717,000
Assigned:					
Other purposes	3,654,540	360,215	-	-	4,014,755
Capital improvements	-	-	-	1,135,668	1,135,668
Unassigned	1,717,185	-	-	-	1,717,185
TOTAL FUND BALANCES	10,104,119	1,626,824	329,492	1,987,083	14,047,518
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,974,520	\$ 4,244,539	\$ 329,492	\$ 2,350,159	\$ 19,898,710

**THREE RIVERS SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2024**

TOTAL FUND BALANCES		\$ 14,047,518
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 140,168,868	
Accumulated depreciation and amortization	<u>(96,899,241)</u>	43,269,627
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		1,019,914
Internal service funds are used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		1,767,484
The other post employment benefit asset (RHIA) is not reported with the governmental funds.		871,354
The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available nor payable currently.		1,236,984
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	\$ (4,593)	
Note payable	(2,885)	
Leases and subscriptions payable	(759,674)	
Pension liability (Stipend)	(2,118,672)	
Pension liability (OPERS)	(37,657,833)	
Other post employment benefit obligation	(4,719,268)	
Debt payable	(11,953,911)	
Accrued compensated absences	<u>(189,382)</u>	<u>(57,406,218)</u>
TOTAL NET POSITION		<u>\$ 4,806,663</u>

THREE RIVERS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FISCAL YEAR END JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES					
Property taxes and other taxes	\$ 20,454,976	\$ -	\$ -	\$ 227,763	\$ 20,682,739
Intergovernmental	39,282,083	21,430,886	-	2,461,477	63,174,446
Charges for services	83,467	1,156,241	-	-	1,239,708
Local contributions	1,560	89,860	-	-	91,420
Investment earnings	801,433	6,449	92,060	65,721	965,663
Miscellaneous	286,386	30,904	3,110,945	588,315	4,016,550
TOTAL REVENUES	60,909,905	22,714,340	3,203,005	3,343,276	90,170,526
EXPENDITURES					
Current					
Instruction	32,499,051	9,918,690	-	-	42,417,741
Support services	28,237,204	5,547,629	-	832,755	34,617,588
Enterprise and community services	-	2,705,373	-	-	2,705,373
Facilities and acquisition	-	5,224,964	-	3,819,551	9,044,515
Debt service	266,976	-	3,281,339	-	3,548,315
TOTAL EXPENDITURES	61,003,231	23,396,656	3,281,339	4,652,306	92,333,532
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(93,326)	(682,316)	(78,334)	(1,309,030)	(2,163,006)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	12,011	12,011
Transfers in	-	19,158	152,500	640,000	811,658
Transfers out	(841,658)	-	-	-	(841,658)
TOTAL OTHER FINANCING SOURCES (USES)	(841,658)	19,158	152,500	652,011	(17,989)
NET CHANGE IN FUND BALANCE	(934,984)	(663,158)	74,166	(657,019)	(2,180,995)
FUND BALANCE, JULY 1, 2023	11,039,103	2,289,982	255,326	2,644,102	16,228,513
FUND BALANCE, JUNE 30, 2024	\$ 10,104,119	\$ 1,626,824	\$ 329,492	\$ 1,987,083	\$ 14,047,518

**THREE RIVERS SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR END JUNE 30, 2024**

NET CHANGE IN FUND BALANCE \$ (2,180,995)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which amortization or depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$ 9,969,777		
Expenditures for software	114,864		
Less current year depreciation and amortization	<u>(2,802,729)</u>		7,281,912

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount of repayments:

Lease and subscription principal repaid	\$ 236,978		
Debt principal repaid	<u>2,646,451</u>		2,883,429

Internal service funds are used by management to charge the costs of unemployment insurance premiums to individual funds. This activity is consolidated with the governmental activities in the statement of activities.

(5,533)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.

Interest paid	\$ 798,218		
Interest expense	<u>(798,023)</u>		195

Governmental funds report proceeds from the sale of capital assets as revenue.

However, only the net gain (loss) on the sale or disposal is reported in the Statement of Activities.

Cost basis of assets sold	\$ (543,532)		
Accumulated depreciation	527,844		
Proceeds from sale of asset	<u>12,011</u>		(3,677)

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities property taxes are recognized as revenue when levied.

125,748

The change in the net post employment benefit obligation (OPEB) (stipend) is not recognized in the governmental funds (including deferred outflows and inflows).

341,995

The change in the net post employment benefit obligation (OPEB) (medical benefit) is not recognized in the governmental funds (including deferred outflows and inflows).

158,499

The change in the net post employment benefit obligation (OPEB) RHIA is not recognized in the governmental funds (including deferred outflows and inflows).

(58,387)

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.

3,085

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. (OPERS including deferred outflows and inflows).

665,186

CHANGE IN NET POSITION \$ 9,211,457

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024**

	Self Insurance Fund
ASSETS:	
Equity in pooled cash and investments	\$ 1,936,845
TOTAL ASSETS	<u>\$ 1,936,845</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 18,221
Claims payable	<u>151,140</u>
TOTAL LIABILITIES	<u>169,361</u>
NET POSITION:	
Unrestricted	<u>1,767,484</u>
TOTAL NET POSITION	<u>\$ 1,767,484</u>

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND
FISCAL YEAR END JUNE 30, 2024**

	Self Insurance Fund
	<hr/>
OPERATING REVENUES	
Self insurance revenues	\$ 595,312
	<hr/>
TOTAL OPERATING REVENUES	595,312
	<hr/>
OPERATING EXPENSES	
Current:	
Support services	649,999
	<hr/>
TOTAL OPERATING EXPENSES	649,999
	<hr/>
TOTAL OPERATING INCOME / (LOSS)	(54,687)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
NONOPERATING REVENUES	
Interest income	19,154
	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	19,154
	<hr/>
INCOME (LOSS) BEFORE TRANSFERS	(35,533)
	<hr/>
Transfers in	30,000
	<hr/>
CHANGE IN NET POSITION	(5,533)
	<hr/>
NET POSITION, July 1, 2023	1,773,017
	<hr/>
NET POSITION, June 30, 2024	\$ 1,767,484
	<hr/> <hr/>

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FISCAL YEAR END JUNE 30, 2024**

	Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Interfund activity - self insurance receipts	\$ 595,319
Supporting services	(503,552)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>91,767</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	<u>30,000</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>30,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>19,154</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>19,154</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	140,921
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,795,924</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,936,845</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME	
Operating income (loss)	\$ (54,687)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts payable	146,447
Decrease in accounts receivable	<u>7</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 91,767</u></u>

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2024**

	Trust and Agency Scholarship Fund
ASSETS:	
Equity in pooled cash and investments	\$ 5,190
NET POSITION:	
Reserved for scholarships	\$ 5,190

**THREE RIVERS SCHOOL DISTRICT
STATEMENT OF FIDUCIARY REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FIDUCIARY FUND
FISCAL YEAR END JUNE 30, 2024**

	Trust and Agency Scholarship Fund
ADDITIONS	
Donations	\$ 1,000
Earnings on investments	<u>245</u>
TOTAL ADDITIONS	<u>1,245</u>
DEDUCTIONS	
Instruction	<u>153</u>
TOTAL DEDUCTIONS	<u>153</u>
CHANGE IN NET POSITION	1,092
NET POSITION, July 1, 2023	<u>4,098</u>
NET POSITION, June 30, 2024	<u><u>\$ 5,190</u></u>



| NOTES TO BASIC FINANCIAL STATEMENTS

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Primary Government

Three Rivers School District (the District), Murphy, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to exclude any potential component units in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). GASB 61 modified certain requirements for inclusion of component units in financial reporting. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

It has been determined that Sunny Wolf Charter School, Woodland Charter School, and Kalmiopsis Community Arts High School will not be included in the Three Rivers School District statements as component units.

There are various other governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, they are not considered component units or included in these basic financial statements.

The more significant of the District's accounting policies are presented below.

Basis of Presentation

The financial statements of Three Rivers School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions.

Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are presented for governmental funds and fiduciary funds. The District has an internal service fund, which is reported as a proprietary fund.

Net Position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Fund - This fund accounts for revenues designated for specific purposes. This fund accounts for the revenues and expenditures related to specific purpose grants and other revenues when required by statute, charter provision, or the terms of the grant.

Debt Service Fund - This fund accounts for the servicing of general long-term debt not being financed by the General Fund. For the District, this includes the PERS Bonds payments. The principal sources of revenues are property taxes, earnings on investments, services provided to other funds and other local revenues.

Capital Projects Fund - This fund accounts for the acquisition, construction and maintenance of improvements within the District. Principal revenue sources are construction excise taxes, grants, miscellaneous revenues, investment earnings and interfund transfers.

Additionally, the following proprietary fund is reported:

Self Insurance Fund - This fund accounts for monies used for self-insurance policies. Principal revenue sources are fees charged, miscellaneous revenues and investment earnings.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (continued)

Additionally, the following fiduciary fund is reported:

Trust and Agency Scholarship Fund - This fund accounts for resources received and held in a fiduciary capacity, in accordance with a trust agreement for student scholarships.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under leases and SBITAs are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District's proprietary fund distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the District's internal service fund consist of charges for services and the cost of providing those services. All other revenues and expenses are reported as nonoperating.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, secured market deposit accounts, and short-term investments with original maturities of three months or less. Short-term investments are stated at cost which approximates fair value.

The District's investments, authorized under state statute, consist of banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Banker's acceptances, commercial paper and U.S. Government Agency securities are stated at amortized cost which approximates fair value. The LGIP is stated at amortized cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (continued)

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

Investment Income

Investment income is composed of interest and net changes in the fair value of applicable investments. Investment income is included in investment earnings in the fund financial statements, and is allocated monthly to all funds based on the fund's average cash balance.

Assets Held by Trustee (Sinking Fund)

On September 24, 2009, the District issued Qualified Zone Academy Bonds (QZAB) in the amount of \$2,000,000. The bonds purchased by All Points Capital Corp. with Section 1397E of the Internal Revenue Code, and as such, qualified for tax credits relating to the transaction. The bond proceeds were required to be used to provide for facility preservation and major maintenance in accordance with the QZAB financing plan. In addition to annual principal and interest payments, the District was required to transmit \$358,168 to the Deutsche Bank at closing on September 24, 2009 (Sinking Fund), which was used to purchase a State & Local Government Security. The Sinking Fund will mature on September 14, 2024. The value of the Sinking Fund as of June 30, 2024 was \$251,627.

Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of state school support and claims for reimbursement of costs under various federal and state grants. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectible receivables has been made.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants

Unreimbursed grant expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

Inventory

Supplies inventory is valued at cost using first-in, first-out method. Accounting for supplies inventory is based on the consumption method whereby inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. All vehicles, furniture, equipment, and right of use assets with an individual value of \$5,000 or more will be capitalized. The district defines a capital asset as an item with an anticipated useful life of three or more years, the item retains its original shape and appearance with use, it is non-expendable, and it does not lose its identity through incorporation into a different unit. The district will capitalize all land acquisitions and new construction regardless of cost, as well as repair costs over \$25,000. Depreciation is not calculated for construction in progress. Capital assets are depreciated using the straight-line method over the District's defined useful lives.

Buildings and improvements	25 to 50 years
Vehicles	10 to 15 years
Equipment	5 to 20 years
Right of use assets	Depends on life of lease or subscription

Pensions and Retirement Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additionally, the District offers eligible employees who elect early retirement a monthly stipend. Such costs are recorded as expense in the General Fund and funded as stipend benefits become due.

Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The current and long term liabilities for vested or accumulated vacation leave, compensatory time, and retirement benefits are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave or resignation.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position (government-wide financials and proprietary funds) and the balance sheet (governmental funds) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of deferred outflows, which arise only under the full accrual of accounting (i.e. government-wide financials) that qualify for reporting in this category. Accordingly, the items, deferred amounts related to pensions and deferred amounts related to other post employment benefit (OPEB) obligations, is reported only in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of deferred inflows. One arises only under the modified accrual basis of accounting that qualifies for reporting in this category, deferred inflows related to property taxes (unavailable revenue). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has two types of deferred inflows which arise only under the full accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, deferred amounts related to pensions and deferred amounts related to other post employment benefit (OPEB) obligations, are reported in the government-wide statement of net position.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as support service expenditures.

Post-employment Health Benefits

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS) - Retirement Health Insurance Account (RHIA). Contributions to OPERS RHIA are made on a current basis as required by the plan and are charged as expenses.

Additionally, the District offers eligible employees, who elect early retirement, payment of group medical insurance premiums. The District also allows eligible retirees to purchase health insurance at the same rate as active employees. In the Government-wide financial statements, the District reports its liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees. Such costs are recorded as expenses in the General Fund and funded as premiums become due.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Leases are recognized in accordance with GASB Statement No. 87, *Leases*. A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments, and is adjusted over time by interest and payments. Future lease payments include fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement, and is subsequently amortized over the life of the lease.

In the government-wide financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered Support services and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

The District has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the District will report inflows of cash for lessor leases and outflows of cash for lessee leases.

Subscription-based Information Technology Arrangements (SBITAs)

Subscription-based information technology arrangements (SBITAs) are recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines a SBITA as a contract that conveys control of the right to use another party's (the SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction.

For financial statements prepared using the economic resources measurement focus, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset at the commencement of the subscription term. The subscription liability is recognized at the net present value of future subscription payments and is adjusted over time by payments and interest. Future subscription payments are discounted using the District's estimated incremental borrowing rate. Future subscription payments include fixed and/or variable payments, based on the contract between the subscriber and vendor. The subscription asset is initially recorded as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term, and is subsequently amortized over the life of the subscription. Subscription and capitalizable implementation cost payments made prior to the commencement of the subscription are classified as prepaid assets until the subscription commences; after the subscription commences, the prepaid assets are reclassified as an intangible right-to-use subscription asset.

For financial statements prepared using the current financial resources measurement focus, other financing source and instruction or support services depending on the nature of the subscription are reported in the year the subscription asset is initially recognized. The other financing source is reported equal to the net present value of future subscription payments. Expense is reported equal to the sum of the net present value of future subscription payments, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term. Subsequent governmental fund subscription payments are recorded as principal and interest payments.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-based Information Technology Arrangements (SBITAs) (continued)

The District has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for SBITAs that do not meet the criteria for valuation under GASB 96, the District will report outflows of cash for subscription payments.

Net Position / Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Total capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct, or improve those assets. Deferred inflows of resources and deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included.

Restricted net position – Consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources not included in the definitions above.

In the fund financial statements, governmental fund balance is classified in the following categories.

Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed – Includes items committed by the District's Board of Education, by formal board action.

Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Business Manager.

Unassigned – This is the residual classification used for those balances not assigned to another category.

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except capital outlay expenditures (including items below the District's capitalization level) and debt service, which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget (continued)

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detailed budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget for general purposes and appropriation resolution for specific purposes.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. During the year there was one supplemental budget appropriating unanticipated resources and two resolutions transferring appropriation authority within the General Fund and Capital Projects Fund. Appropriations lapse at the end of each fiscal year.

During the fiscal year ended June 30, 2024, the District was in compliance with Local Budget Law, except as follows:

A fund that finances an activity, that cost of which can be accurately estimated, may not include an appropriation for a general operating contingency (OAR 150-294-0430(2)).

In the 2023-2024 and the 2024-2025 budget, the District included a general operating contingency in the debt service fund. The requirements for a debt service fund are known at the time the budget is prepared. Therefore, there is no unknown or unascertainable aspect of the expenditures from the fund.

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Adoption of New GASB Pronouncements

During the year ended June 30, 2024, the District implemented the following GASB Pronouncements:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. There is no effect on the Districts financial statements as a result of this statement.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Adoption of GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2024:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the District for the fiscal year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This Statement will be effective for the District for fiscal year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will be effective for the District for fiscal year ending June 30, 2026.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

NOTE 2 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents, and investments are comprised of the following as of June 30, 2024:

Petty cash	\$ 100
Carrying amount of demand deposits	1,383,241
Carrying amount of investments	14,302,421
	<u>\$ 15,685,762</u>

Cash, cash equivalents, and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash, cash equivalents, and investments	\$ 15,428,945
Assets held in trust	251,627
	<u>15,680,572</u>
Statement of Net Position Fiduciary Fund	
Cash, cash equivalents, and investments	5,190
Total cash, cash equivalents, and investments	<u>\$ 15,685,762</u>

Deposits. The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2024. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists.

Deposits with financial institutions are comprised of bank demand deposits. For the fiscal year ended June 30, 2024, the carrying amounts of the District's deposits in various financial institutions were \$1,383,241 and the bank balances were \$1,741,502. All deposits are held in the name of the District.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 2 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The bank balance is comprised of amounts held at various financial institutions with each providing \$250,000 coverage of FDIC insurance. Of the total bank balance all but \$1,094,780 was covered by FDIC. However, this balance was covered by the State of Oregon shared liability structure for participating bank depositories in Oregon.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments. Three Rivers School District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2024. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer.

It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40, the LGIP is not rated.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the District's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

Treasury securities are valued on the basis of last available bid prices or current market quotations.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. As of June 30, 2024 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

Credit Risk. State Statutes authorize the District to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 2 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk. The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

Interest Rate Risk. The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Disclosures about Fair Value of Assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Unadjusted inputs using quoted prices in active markets for identical investments.

Level 2 - Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.

Level 3 - Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

Investments Measured at Fair Value:	Totals as of 6/30/2024	Level One	Level Two	Level Three	Amortized Cost Not Measured at Fair Value
Local Government					
Investment pool	\$ 13,698,938	\$ -	\$ -	\$ -	\$ 13,698,938
Certificates of deposit	248,578	-	-	-	248,578
Treasury securities	103,278	103,278	-	-	-
2012 QSCB Sinking Fund Reserve:					
Cash held in reserve account	262	262	-	-	-
Treasury securities	251,365	251,365	-	-	-
	<u>\$ 14,302,421</u>	<u>\$ 354,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,947,516</u>

As of June 30, 2024, the District's investments had the following maturities and credit ratings:

	Total Investments	Investment Maturities		
		Less than 1 yr	1-5 years	6-10 years
Cash held in sinking fund accounts	\$ 262	\$ 262	\$ -	\$ -
Local Government				
Investment Pool	13,698,938	13,698,938	-	-
Certificates of Deposit	248,578	248,578	-	-
Treasury Securities	354,643	354,643	-	-
	<u>\$ 14,302,421</u>	<u>\$ 14,302,421</u>	<u>\$ -</u>	<u>\$ -</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 2 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

	<u>Moody's Rating</u>	<u>Standard & Poor Rating</u>	<u>Percentage of Total Investments</u>
Cash held in sinking fund accounts	N/R	N/R	0.01%
Local Government			
Investment Pool	N/R	N/R	95.78%
Certificates of Deposit	N/R	N/R	1.74%
Treasury Securities	N/R	N/R	2.47%
Total Investments			<u>100.00%</u>

N/R = Not Rated

NOTE 3 - RECEIVABLES

Receivables are comprised of the following as of June 30, 2024:

	<u>Grants / Other</u>	<u>Property Taxes</u>	<u>Total</u>
General fund	\$ 951,116	\$ 1,303,246	\$ 2,254,362
Special revenue fund	3,354,702	-	3,354,702
Capital projects fund	530,525	-	530,525
	<u>\$ 4,836,343</u>	<u>\$ 1,303,246</u>	<u>\$ 6,139,589</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 5 – CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Transfers/ Deletions	Balance June 30, 2024
Capital assets not being depreciated or amortized:				
Land	\$ 802,110	\$ -	\$ -	\$ 802,110
Construction-in-progress	8,196,015	8,804,558	(10,183,585)	6,816,988
Total capital assets not being depreciated or amortized	8,998,125	8,804,558	(10,183,585)	7,619,098
Capital assets being depreciated or amortized:				
Buildings and improvements	113,320,527	341,911	10,183,585	123,846,023
Machinery/equipment/vehicles	5,141,948	823,308	(338,075)	5,627,181
Intangible assets:				
Right-of-use	2,491,641	-	(193,446)	2,298,195
Software	663,507	114,864	-	778,371
Total capital assets being depreciated or amortized	121,617,623	1,280,083	9,652,064	132,549,770
Less accumulated depreciation or amortization:				
Buildings and improvements	(90,190,760)	(2,182,896)	-	(92,373,656)
Machinery/equipment/vehicles	(2,899,495)	(271,034)	334,398	(2,836,131)
Intangible assets:				
Right-of-use	(1,456,708)	(227,386)	193,446	(1,490,648)
Software	(77,393)	(121,413)	-	(198,806)
Total accumulated depreciation or amortization	(94,624,356)	(2,802,729)	527,844	(96,899,241)
Total capital assets, net:				
Land	802,110	-	-	802,110
Construction-in-progress	8,196,015	8,804,558	(10,183,585)	6,816,988
Buildings and improvements	23,129,767	(1,840,985)	10,183,585	31,472,367
Machinery/equipment/vehicles	2,242,453	552,274	(3,677)	2,791,050
Intangible assets:				
Right-of-use	1,034,933	(227,386)	-	807,547
Software	586,114	(6,549)	-	579,565
Total	\$ 35,991,392	\$ 7,281,912	\$ (3,677)	\$ 43,269,627

Depreciation and amortization expense for the fiscal year was \$2,802,729 and is allocated to the various functions.

<u>Program</u>	
Instruction	\$ 1,491,612
Supporting services	1,214,142
Community services	<u>96,975</u>
Total	<u>\$ 2,802,729</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Right-of-Use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. You can find further information on these transactions in Note 8.

A subscription-based information technology arrangement (SBITA) is defined as a contract that conveys the right to use vendor-provided information technology and associated tangible capital assets for subscription payments without granting governments a perpetual license or title to the IT software and associated tangible capital assets. You can find further information on these transactions in Note 8.

Lease and subscription right-of-use activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deletions / Transfers	Balance June 30, 2024
Lease and subscription assets being amortized:				
Equipment	\$ 2,491,641	\$ -	\$ (193,446)	\$ 2,298,195
Subscriptions	663,507	114,864	-	778,371
Total lease and subscription assets	<u>3,155,148</u>	<u>114,864</u>	<u>(193,446)</u>	<u>3,076,566</u>
Less accumulated amortization for:				
Equipment	(1,456,708)	(227,386)	193,446	(1,490,648)
Subscriptions	(77,393)	(121,413)	-	(198,806)
Total accumulated amortization	<u>(1,534,101)</u>	<u>(348,799)</u>	<u>193,446</u>	<u>(1,689,454)</u>
Total lease and subscription assets, net:				
Equipment	1,034,933	(227,386)	-	807,547
Subscriptions	586,114	(6,549)	-	579,565
Total lease and subscription assets, net	<u>\$ 1,621,047</u>	<u>\$ (233,935)</u>	<u>\$ -</u>	<u>\$ 1,387,112</u>

NOTE 6 – UNAVAILABLE / UNEARNED REVENUES

Governmental funds, under the modified accrual basis of accounting, accrue deferred revenue for revenue amounts unearned or unavailable. Government-wide reporting, as well as in proprietary funds, use full accrual accounting and report only unearned revenue. Unavailable revenue (deferred inflows) result in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenue result in connection with resources that have been received, but not yet earned.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 6 – UNAVAILABLE / UNEARNED REVENUES (CONTINUED)

At the end of the current fiscal year, the various components of unavailable (deferred inflow) and unearned revenue in the governmental funds were as follows:

<u>Fund Type</u>	<u>Property Tax Unavailable</u>	<u>Grants/Other Unearned</u>	<u>Total</u>
General fund	\$ 1,019,914	\$ -	\$ 1,019,914
Special revenue fund	-	1,342,275	1,342,275
Total	<u>\$ 1,019,914</u>	<u>\$ 1,342,275</u>	<u>\$ 2,362,189</u>

NOTE 7 - LONG-TERM DEBT

Qualified Zone Academy Bonds

On September 24, 2009, the District issued Qualified Zone Academy Bonds (QZAB) in the amount of \$2,000,000 at 1.22%. The bonds purchased by All Points Capital Corp. with Section 1397E of the Internal Revenue Code, and as such, qualified for tax credits relating to the transaction. The bond proceeds were required to be used to provide for facility preservation and major maintenance in accordance with the QZAB financing plan.

To qualify for use of the QZAB proceeds, individual schools must qualify by meeting federal guidelines for certain economic demographics. The primary use of the funds was for renovations of the primary and secondary schools in the District. In addition, initial funding for the SB 1149 energy efficiency projects was provided by the QZAB proceeds so that projects could move forward in a timely manner. As SB 1149 funds become available in future years, they will then be utilized to repay a portion of the QZAB debt. The agreement contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment. The repayment schedule may be amended as mutually agreed upon by the seller and the District.

As a result of the structure of the QZAB, the District is required to repay \$2,224,816 in total principal and interest payments over the 15-year term. The District will make equal annual payments in the amount of \$133,332 through 2024. Interest paid for the fiscal year was \$5,898.

As part of the terms of the QZAB agreement, the District opted to create a sinking fund upon bond issuance to pay for the fifteenth and final balloon payment of \$358,168, which includes principal and interest, due and payable in fiscal 2025. At closing on September 24, 2009, the District transmitted \$133,332 to the Deutsche Bank, which was used to purchase a State & Local Government Security, which will mature on September 14, 2024. The value of the sinking fund as of June 30, 2024 was \$251,627.

<u>Year ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 354,911	\$ 3,257	\$ 358,168
	<u>\$ 354,911</u>	<u>\$ 3,257</u>	<u>\$ 358,168</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Pension Obligation Bonds

On February 5, 2004, the District participated in pooled issuances of taxable pension obligation bonds to finance the District's unfunded actuarially accrued liability (UAAL) with the State of Oregon Public Employees Retirement System (PERS). The District issued \$26,620,000 in debt as part of a pooled issuance of \$467,820,000. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

Bond proceeds were paid to the Public Employee Retirement System. The bonds were issued February 2004. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer, and annual principal and interest payments are made semiannually on June 30 and December 30 of each year, beginning June 30, 2004 and ending June 30, 2028. The series 2004 bond interest rates range from 3.25% to 5.53% with a true interest cost of 5.47%. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration.

The issuance of the bonds was evaluated based on advance refunding criteria. The actual savings realized by the District over the life of the bonds is uncertain due to various legislative changes and legal issues pending with the PERS system, which could impact the District's future required contribution rate. Interest paid on these bonds for the fiscal year was \$721,128.

Year ending June 30th	Principal	Interest	Total
2025	\$ 2,705,000	\$ 587,350	\$ 3,292,350
2026	3,015,000	437,818	3,452,818
2027	3,350,000	271,148	3,621,148
2028	1,555,000	85,960	1,640,960
	<u>\$ 10,625,000</u>	<u>\$ 1,382,276</u>	<u>\$ 12,007,276</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Hidden Valley Turf Field Note Payable

On September 4, 2014, the District entered into an agreement with Evergreen Federal Bank for \$150,000 at 3.00% fixed interest to finance a portion of the new turf field at Hidden Valley High School. Monthly payments of principal and interest are to be repaid over a period of ten years commencing on October 1, 2014. Interest paid on this note for the fiscal year was \$364. This note matures September, 2024 and is payable from non-restricted General Fund revenues. If any payment obligation under this note is not paid when due, the remaining unpaid principal balance shall become due immediately at the option of the lender.

<u>Year ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,885	\$ 7	\$ 2,892
	<u>\$ 2,885</u>	<u>\$ 7</u>	<u>\$ 2,892</u>

Full Faith and Credit Financing Agreement, Series 2023 Obligations

On June 28, 2023, the District entered into a Note and Financing Agreement (Agreement) with JPMorgan Chase Bank (bond). The District entered into the Agreement to provide for the issuance of \$1,056,000 in Full Faith and Credit Obligations (the Series 2023 Obligations) which will be paid from payments the District makes under the Agreement. Under the Agreement, the Series 2023 Obligations are secured by and payable from all lawfully available funds of the District, including any property taxes levied by and for the District within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution. Pursuant to ORS 287A.315 the District will pledge its full faith and credit to pay the Agreement, and the obligation of the District to pay the Agreement will not be subject to appropriation. The Agreement contains a provision that in an event of default, the Bank may increase the interest rate by 150 basis points (1.50%) while the Event of Default is continuing or exercise any remedy available at law or in equity, however the Bond is not subject to acceleration.

The Series 2023 Obligations were issued in order to construct, improve and equip District facilities and pay the cost of issuance.

The Series 2023 Obligations stated interest rate is 4.18%. Interest is payable semiannually on June 1 and December 1 each year. Principal payments are due annually on June 1.

On and after June 1, 2026, the District may prepay the Bond, in whole or in part in multiples of \$5,000, on any interest payment date with no prepayment penalty, at par plus accrued interest to the date fixed for redemption; provided that the District will have given at least 45 days' prior written notice to the Bank.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Annual debt service requirements associated with the Series 2023 Obligations is as follows:

Year ending June 30th	Principal	Interest	Total
2025	\$ 91,000	\$ 40,713	\$ 131,713
2026	95,000	36,909	131,909
2027	99,000	32,938	131,938
2028	103,000	28,800	131,800
2029	108,000	24,495	132,495
2030-2033	478,000	50,996	528,996
	<u>\$ 974,000</u>	<u>\$ 214,851</u>	<u>\$ 1,188,851</u>

The changes in long-term obligations for year ended June 30, 2024, are as follow

Issue Date:	Outstanding July 1, 2023	New Debt Issued	Matured & Redeemed	Outstanding June 30, 2024	Due within 1 year	Interest Rate
PERS Bonds						
February 5, 2004	\$ 13,045,000	\$ -	\$ (2,420,000)	\$ 10,625,000	\$ 2,705,000	5.22-5.53%
QZAB Bonds (direct placement)						
September 24, 2009	482,345	-	(127,434)	354,911	354,911	1.22%
Turf Field Note Payable (direct borrowing)						
September 24, 2009	19,902	-	(17,017)	2,885	2,885	3.00%
FFC Bond (direct placement)						
June 28, 2023	1,056,000	-	(82,000)	974,000	91,000	4.18%
Total	<u>\$ 14,603,247</u>	<u>\$ -</u>	<u>\$ (2,646,451)</u>	<u>\$ 11,956,796</u>	<u>\$ 3,153,796</u>	

The District also has the following changes in other long-term obligations:

	Balance 7/1/2023	Earned	Used	Balance 6/30/2024	Due Within One Year
Compensated absences	\$192,467	\$309,838	\$312,923	\$189,382	\$189,382

NOTE 8 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The District is involved in various leasing arrangements for land, buildings, and equipment. In accordance with GASB Statement No. 87 Leases, newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions, and lease receivables and payables were recognized accordingly.

The District is also involved in various subscription-based information technology arrangements (SBITAs) for information technology software and underlying subscription assets which are subscribed mainly from commercial and retail software vendors. With the application of GASB Statement No. 96, existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs. With this application, a subscription payable is recognized.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 8 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)

Lessee Lease Payables

The District has entered into six qualified lease agreements for copiers and equipment. During the year ended June 30, 2024, total lease principal and interest payments of \$201,219 and \$13,973 were made, respectively. Interest rates range from 2.8% to 6.0%.

Lease payable at June 30, 2024 consisted of the following:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Equipment	\$ 615,105	\$ -	\$ 201,219	\$ 413,886
Total	<u>\$ 615,105</u>	<u>\$ -</u>	<u>\$ 201,219</u>	<u>\$ 413,886</u>

Future annual lease commitments as of June 30, 2024 are as follows:

Year ending June 30th	Principal	Interest	Total
2025	\$ 207,341	\$ 7,852	\$ 215,193
2026	142,880	2,674	145,554
2027	<u>63,665</u>	<u>439</u>	<u>64,104</u>
Total	<u>\$ 413,886</u>	<u>\$ 10,965</u>	<u>\$ 424,851</u>

Lease Payments Not Included In Liability

Variable payments based on future performance of the lessee or usage of as the underlying asset were not included in the measurement of the lease liability. Other payments, such as residual value guarantees or termination penalties, were also not included in the measurement of the lease liability. Rather, these variable and other payments were recognized as outflows of resources in the period in which the obligation for those payments was incurred.

The District has one non-qualified lease under GASB 87 related to student transportation. This lease is variable in nature. Total variable lease payments for this non-qualified lease were \$6,415,992 for the year ended June 30, 2024.

Subscription Payables

The District has entered into 11 qualified SBITA agreements as the subscriber for software. All 11 of the SBITAs are related to software. Of these, 6 had payments included in the measurement of the subscription liability with periods covering various ranges and the latest expiring on June 30, 2032. The interest rate utilized for all 6 SBITAs was 4.2%. Annual payments for the current year range from \$3,867 to \$18,680. During the year ended June 30, 2024, the District paid \$109,464 in additional SBITA variable payments.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 8 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)

Subscription payables currently outstanding as of June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Subscriptions	\$ 381,547	\$ -	\$ 35,759	\$ 345,788
Total	<u>\$ 381,547</u>	<u>\$ -</u>	<u>\$ 35,759</u>	<u>\$ 345,788</u>

Future annual subscription commitments as of June 30, 2024 are as follows:

Year Ending June 30th	Principal	Interest	Total
2025	\$ 37,261	\$ 14,523	\$ 51,784
2026	38,826	12,958	51,784
2027	40,457	11,327	51,784
2028	42,156	9,628	51,784
2029	43,926	7,858	51,784
2030 - 2032	<u>143,162</u>	<u>12,190</u>	<u>155,352</u>
Total	<u>\$ 345,788</u>	<u>\$ 68,484</u>	<u>\$ 414,272</u>

Combined Lease and Subscription Liabilities

On the face of the financial statements, lease and subscription payables are combined as a single line item.

Lease and subscription payables currently outstanding as of June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Leases	\$ 615,105	\$ -	\$ 201,219	\$ 413,886	\$ 207,341
Subscriptions	<u>381,547</u>	<u>-</u>	<u>35,759</u>	<u>345,788</u>	<u>37,261</u>
Total	<u>\$ 996,652</u>	<u>\$ -</u>	<u>\$ 236,978</u>	<u>\$ 759,674</u>	<u>\$ 244,602</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 9 – INTERFUND TRANSACTIONS

Interfund transfers during the year ended June 30, 2024, were as follows:

	Transfers	
	In	Out
General fund	\$ -	\$ (841,658)
Special revenue fund	19,158	-
Debt service fund	152,500	-
Capital projects fund	640,000	-
Self insurance fund	30,000	-
	<u>\$ 841,658</u>	<u>\$ (841,658)</u>

During the 2023-24 fiscal year the Board of Education approved transfers out from the General Fund. Special Revenue Funds received the transfer to fund the food service required food match program. The Debt Service fund received the transfer of funds committed by Hidden Valley High School to repay the obligation related to their new turf field. The Capital Projects transfer was set aside for future energy lease, QZAB payments, and IVHS roof replacement. The Self Insurance Fund transfer was to ensure sufficient funds for unemployment and property claims requiring payment.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Single Employer defined Benefit Health Care Plan

Plan Description – The District has two separate other post-employment benefits (OPEB) plans. The District maintains a single-employer defined benefit OPEB plan that provides post-employment health, vision, dental, and life insurance benefits to eligible employees and their spouses, domestic partners, and children.

Current administrators who have served in the administrative capacity for more than ten years as of June 30, 2004 shall receive early retirement benefits of ten years of current health insurance benefits, but not beyond age 65. All other administrators who have served in an administrative capacity for seven years, or as a licensed teacher and administrator for 18 or more years, will receive seven years of current health insurance, but not beyond age 65. Notwithstanding the above, any administrator hired after August 15, 2007, will not be eligible for any early retirement benefits. Classified bargaining unit members who have at least 20 years of service as of June 30, 2004 shall receive early retirement benefits of ten years of current health insurance benefits, but not beyond age 65. Classified bargaining unit members who have at least 15 years of service in a classified position, and are on the highest step of the salary schedule, shall receive early retirement benefits of seven years of current health insurance benefits, but not beyond age 65. However, if such an employee retires after June 30, 2011, the coverage will be for the employee only. Notwithstanding the above, any classified employee hired after June 30, 2000, will not be eligible for any early retirement benefits. Licensed bargaining unit members who have at least 20 years of service and were hired in 1991 or earlier shall receive early retirement benefits of ten years of current health insurance benefits, but not beyond age 65. Notwithstanding the above, any licensed employee retiring after June 30, 2011, will not be eligible for any early retirement medical benefits.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Single Employer defined Benefit Health Care Plan (continued)

In addition the District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. There requirement to make available to retirees (at the retiree's own cost) access in to the healthcare plan has an implicit cost to the district.

Funding Policy – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered by Benefit Terms – The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees entering employment subsequent to August 30, 2007. As a result, the total plan members receiving the explicit benefit will decrease over time. At June 30, 2024, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Active employees entitled to but not yet receiving benefit payments	29
	<u>52</u>

Total OPEB Liability – The districts total OPEB liability of \$4,719,268 was measured as of June 30, 2024, and was determined by an actuarial valuation date as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Input</u>	<u>Assumption</u>
Actuarial Cost Method	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	4.0% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 4.50% and 5.30% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Participation	80% active employees currently enrolled in a medical plan (100% if eligible for District paid benefits)
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Single Employer defined Benefit Health Care Plan (continued)

Changes in the Total OPEB Liability –

Total OPEB Liability at June 30, 2023	\$ 4,686,928
Changes for the year:	
Service cost	262,059
Interest	179,223
Changes of assumptions or other input	(69,533)
Benefit payments	<u>(339,409)</u>
Total OPEB Liability at June 30, 2024	<u>\$ 4,719,268</u>

Deferred Outflows of Resources, and Deferred Inflows of Resources

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 155,158	\$ 320,904
Changes of assumptions or other input	<u>108,241</u>	<u>779,972</u>
Total	<u>\$ 263,399</u>	<u>\$ 1,100,876</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date) related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflow/(Inflow) of Resources</u>
2025	\$ (260,376)
2026	(183,765)
2027	(237,884)
2028	(100,962)
2029	(44,555)
Thereafter	<u>(9,935)</u>
Total	<u>\$ (837,477)</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Single Employer defined Benefit Health Care Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease Rate 3.0%	Current Discount Rate 4.0%	1% Increase Rate 5.0%
Total OPEB Liability	\$ 5,002,752	\$ 4,719,268	\$ 4,451,174

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease 3% Graded Up to 5% then Graded Down to 3.5%	Current Trend Rate 4% Graded Up to 6% then Graded Down to 4.5%	1% Increase 5% Graded Up to 7% then Graded Down to 5.5%
Total OPEB Liability	\$ 4,260,225	\$ 4,719,268	\$ 5,251,541

OPEB Expense – For the year ended June 30, 2024, the District recognized an decrease of OPEB expense of \$158,499 which was charged to various functions as follows: 53% instruction, 44% support services, and 3% community services.

Changes in Assumptions - A summary of key changes implemented since the July 1, 2020 valuation are noted below:

- Premium increase rates were modified to better reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.
- Discount rates increased from 3.5% to 4.0%.
- Inflation and payroll growth assumptions were increased to better reflect current and expected rates.

Retirement Health Insurance Account (RHIA)

Plan Description - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established the RHIA and authorizes a monthly contribution toward the cost of health insurance for eligible OPERS members. The plan was closed to new entrants hired on or after August 29, 2003.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan

A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions – Employer Contributions- OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans. The contribution rates in effect for the period July 1, 2023 through June 30, 2024 for the OPEB program were: Tier1/Tier 2 – 0.00%, and OPSRP general service – 0.00%. The District contributed \$861 for the year ended June 30, 2024.

Actuarial Valuation – The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 11 Pension and Retirement Plan*, except the table listed below:

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Cost-of-living adjustments (COLA)	Not applicable

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2024, the District reported \$871,354 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023 (measurement date) the District's proportion was 0.23796693 percent.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (continued)

For the year ended June 30, 2024, the District recognized an increase of OPEB expense related to RHIA of \$58,387. The \$58,387 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 53%, 44% and 3%, respectively.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 21,876
Changes of assumptions	-	9,395
Net difference in projected and actual earnings on investments	2,471	-
Changes in proportionate share	34,759	75,956
District's contributions subsequent to the measurement date	861	-
Total	<u>\$ 38,091</u>	<u>\$ 107,227</u>

\$861 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to RHIA OPEB will be recognized in pension expense (or expense reduction) as follows:

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2025	\$ (63,453)
2026	(50,295)
2027	32,202
2028	11,549
Thereafter	-
Total	<u>\$ (69,997)</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (continued)

Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate – The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

District's Net OPEB Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	\$ 792,062	\$ 871,354	\$ 939,385

Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Healthcare Cost Trend Rate – The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

Changes in Assumptions – The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in *Note 11 – Pension and Retirement Plans*.

NOTE 11 – PENSION AND RETIREMENT PLANS

Early Retirement Stipend Pension Plan

Plan Description – The District maintains a single-employer defined benefit pension early retirement supplemental plan for eligible licensed employees of the District (not administered through a trust). The program covers licensed staff that have at least 18 years of service with the district and are not receiving District-paid medical benefits. This program provides employees with a stipend of 1/84 of their final annual salary per month. Payments are made for a maximum of seven years, but in no event past age 65 or death.

Funding Policy – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the District for the benefit for the period ended June 30, 2024 was \$243,521. There are no assets accumulated in a trust.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the stipend benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	25
Active employees entitled to but not yet receiving benefit payments	58
	<u>83</u>

Total Stipend Pension Liability – The districts total stipend pension liability of \$2,118,672 was measured as of June 30, 2024, and was determined by an actuarial valuation date as of July 1, 2022.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

Early Retirement Stipend Pension Plan (continued)

Actuarial Assumptions and Other Inputs – The total stipend pension liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Input</u>	<u>Assumption</u>
Actuarial Cost Method	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	4.0% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 4.50% and 5.30% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Participation	80% active employees currently enrolled in a medical plan (100% if eligible for District paid benefits)
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

Changes in the Total Stipend Pension Liability –

Total Stipend Pension Liability at June 30, 2023	\$ 2,252,113
Changes for the year:	
Service cost	49,569
Interest	81,747
Changes in Benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	(21,236)
Benefit payments	<u>(243,521)</u>
Total Stipend Pension Liability at June 30, 2024	<u>\$ 2,118,672</u>

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

Early Retirement Stipend Pension Plan (continued)

Deferred Outflows of Resources, and Deferred Inflows of Resources -

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 139,892	\$ 439,052
Changes of assumptions or other input	82,672	230,646
Total	<u>\$ 222,564</u>	<u>\$ 669,698</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net deferred Outflow/(Inflow) of Resources
2025	\$ (229,787)
2026	(201,073)
2027	14,633
2028	(5,070)
2029	(25,837)
Thereafter	-
Total	<u>\$ (447,134)</u>

Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate – The following presents the total stipend pension liability of the District, as well as what the District's total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total Stipend Pension Liability	\$ 2,204,050	\$ 2,118,672	\$ 2,034,716

Stipend Pension Expense – For the year ended June 30, 2024, the District recognized a decrease in stipend pension expense of \$341,995, which was charged to various functions as follows: 53% instruction, 44% support services, and 3% community services.

Changes in Assumptions - A summary of key changes implemented since the July 1, 2020 valuation are noted at the end of Note 10.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan

Plan description - Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the system.

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which was codified into ORS 238.435. This legislature created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. OPSRP is part of OPERS and is administered by the Board. The OPERS board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Beginning January 1, 2004, OPERS active Tier One or Tier Two members became members of the Individual Account Program (IAP) or OPSRP. OPERS members retain their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses.

Tier One/Tier Two Retirement Benefit (Chapter 238) -

Pension Benefits - The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled to.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$255,533 as of January 1, 2023, and it is indexed with inflation every year.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:

- Member was employed by an OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in an OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide higher survivor benefit than the standard per-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- Surviving spouse must be member's sole beneficiary as determined by a valid Tier One/Tier Two Pre-retirement Beneficiary Designation form on file with OPERS.

Disability Benefits - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

OPSRP Pension Program (Chapter 238A)

Pension Benefits - The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General Service - 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$255,533 as of January 1, 2023, and is indexed with inflation every year.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

Disability Benefits - A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions - OPERS' funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendation of the System's third-party actuary.

Member Contributions - Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the IAP. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary for District employees and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

Employer Contributions - OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

Employer contributions during the period July 1, 2023 through June 30, 2025, were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2022. For the period July 1, 2023 through June 30, 2024, net employer contribution rates were 15.99% for Tier 1/Tier 2 employees and 13.15% for OPSRP General Employees. Employer contributions for the year ended June 30, 2024 were \$4,523,144, excluding amounts to fund employee specific liabilities.

Pension Plan Annual Comprehensive Financial Report (ACFR) - OPERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in Governmental Accounting Standards Board (GASB) pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

Actuarial Valuation - The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability -

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i> Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

Assumed Asset Allocation –

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	25.00%
Public equity	27.50%
Private equity	20.00%
Real estate	12.50%
Real Assets	7.50%
Diversifying strategies	7.50%
Total	<u>100.00%</u>

Long-term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January, 2023 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized (Geometric) Return</u>
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Total	<u>100.00%</u>	

Assumed Inflation - Mean

2.35%

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District reported a liability of \$37,657,833 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023 (measurement date) the District's proportion was approximately 0.20104887 percent.

For the year ended June 30, 2024, the District recognized a reduction in pension expense of \$665,186. The \$665,186 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 53%, 44% and 3%, respectively.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$1,841,583	\$ 149,317
Changes in assumptions	3,345,299	24,943
Net difference between projected and actual earnings on investments	676,865	-
Changes in proportionate share	468,354	4,394,328
Difference in proportion and contribution differences	2,902	3,698,828
District's contributions subsequent to the measurement date	4,523,144	-
Total	<u>\$ 10,858,147</u>	<u>\$ 8,267,416</u>

\$4,523,144 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2025	\$ (1,332,447)
2026	(2,930,227)
2027	2,273,379
2028	265,888
2029	(209,006)
Thereafter	-
Total	<u>\$ (1,932,413)</u>

Sensitivity for the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

District's Net Pension Asset/ (Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension Plan	\$ (62,203,649)	\$ (37,657,833)	\$ (17,115,586)

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

OPERS Plan (continued)

Changes in Assumptions - A summary of key changes implemented since the December 31, 2021 valuation are noted below. Additional detail and list of changes can be found in the December 31, 2022 Actuarial Valuation, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/12312022%20Actuarial%20Valuation.pdf>

Assumption Changes -

- The merit/longevity component assumption of individual member salary increases were updated for all groups.
- Assumed administrative expenses were updated and changed to a combined assumption of \$64 million for Tier One/Tier Two and OPSRP.
- The assumed healthcare cost trend rates for the RHIPA program were updated.
- The mortality improvement projection scale applied to all groups is based on 60-year unisex average mortality improvement rates by age. The assumption was updated to reflect the most recent publicly available data at the time of the latest experience study.
- Termination, disability, and retirement rates were updated for some groups to more closely match observed and anticipated future experience.
- Assumptions for unused sick leave and vacation pay were updated.
- Participation assumptions for both RHIA and RHIPA were updated.

Actuarial Method Changes –

- An adjustment was added to the side account amortization calculations and Pre-SLGRP liability and surplus calculations to reflect the delay between when a rate is calculated and when it takes effect.
- The timing of the amortization period for Pre-SLGP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Plan Changes –

- There were no changes to plan provisions valued since the December 31, 2021 actuarial valuation.

Defined Contribution Plan – Individual Account Program (IAP)

Pension Benefits - The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the contributions are deposited into a separate employer account. The member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)

Defined Contribution Plan – Individual Account Program (IAP) (continued)

Death Benefits - Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions - Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2023, if a member earns more than \$3,570 per month, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

During 2024, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2024 were \$1,805,451, of which \$1,555,731, was deposited into the individual members' accounts.

NOTE 12 - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The School District has elected, under the State Unemployment Act of July 1, 1974, to reimburse the State Employment Department for any claims paid. Reimbursements are made from the District's self- insurance Fund.

NOTE 13 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The District's operations are concentrated within Josephine County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year.

THREE RIVERS SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2024

NOTE 15 – ECONOMIC DEPENDENCY

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Basic School Support funding provided by the state to all public school systems in Oregon is primarily based on student enrollment. The State provided \$37,453,612 to the District, which represents approximately 61% of the District's total general revenues for the year.

NOTE 16 – TAX ABATEMENTS

As of June 30, 2024, Jackson and Josephine counties provide tax abatements through the Enterprise Zone program.

Enterprise Zone (ORS 285.597):

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2024, Three Rivers School District abated property taxes totaling \$5,700 under this program.

NOTE 17 – COMMITMENTS

The District has various active construction obligations at June 30, 2024. The total project costs of these obligations was approximately \$9,344,708. As of June 30, 2024, there was \$2,527,721 outstanding remaining on the contracts.

NOTE 18 – SUBSEQUENT EVENTS

Management of the District has evaluated events and transactions occurring after June 30, 2024 through, the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.



| REQUIRED SUPPLEMENTARY INFORMATION

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FISCAL YEAR END JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Property taxes	\$ 20,444,588	\$ 20,444,588	\$ 20,454,976	\$ 10,388
Charges for services	44,400	44,400	83,467	39,067
Donations	-	-	1,560	1,560
Interest on investments	350,000	350,000	801,433	451,433
Miscellaneous	166,000	166,000	286,386	120,386
Intermediate sources:				
Intergovernmental	800,000	800,000	781,383	(18,617)
State sources:				
Basic school support	36,358,299	36,358,299	37,453,612	1,095,313
Intergovernmental	638,411	638,411	753,172	114,761
Federal sources:				
Intergovernmental	100,000	100,000	293,916	193,916
TOTAL REVENUES	58,901,698	58,901,698	60,909,905	2,008,207
EXPENDITURES				
Current:				
Instruction	33,176,833	33,266,833	32,499,051	767,782
Support services	28,863,419	29,003,419	28,504,180	499,239
Contingency	2,510,000	2,080,000	-	2,080,000
TOTAL EXPENDITURES	64,550,252	64,350,252	61,003,231	3,347,021
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,648,554)	(5,448,554)	(93,326)	5,355,228
OTHER FINANCING SOURCES (USES):				
Transfers out	(845,500)	(1,045,500)	(841,658)	203,842
TOTAL OTHER FINANCING SOURCES (USES)	(845,500)	(1,045,500)	(841,658)	203,842
NET CHANGE IN FUND BALANCE	(6,494,054)	(6,494,054)	(934,984)	5,559,070
FUND BALANCE, July 1, 2023	8,624,054	11,211,054	11,039,103	(171,951)
FUND BALANCE, June 30, 2024	\$ 2,130,000	\$ 4,717,000	\$ 10,104,119	\$ 5,387,119

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FISCAL YEAR END JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Charges for services	\$ 954,000	\$ 954,000	\$ 1,156,241	\$ 202,241
Donations	-	-	89,860	89,860
Interest on investments	1,000	1,000	6,449	5,449
Miscellaneous	105,000	105,000	30,904	(74,096)
Intermediate sources:				
Intergovernmental	-	-	9,235	9,235
State sources:				
Intergovernmental	5,258,129	5,258,129	6,253,331	995,202
Federal sources:				
Intergovernmental	24,744,880	24,744,880	15,168,320	(9,576,560)
TOTAL REVENUES	31,063,009	31,063,009	22,714,340	(8,348,669)
EXPENDITURES				
Current:				
Instruction	13,163,428	13,163,428	9,918,690	3,244,738
Support services	5,684,899	5,684,899	5,547,629	137,270
Enterprise and community services	2,803,081	2,803,081	2,705,373	97,708
Facilities acquisition and construction	11,254,243	11,254,243	5,224,964	6,029,279
TOTAL EXPENDITURES	32,905,651	32,905,651	23,396,656	9,508,995
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,842,642)	(1,842,642)	(682,316)	1,160,326
OTHER FINANCING SOURCES (USES):				
Transfers in	23,000	23,000	19,158	(3,842)
TOTAL OTHER FINANCING SOURCES (USES)	23,000	23,000	19,158	(3,842)
NET CHANGE IN FUND BALANCE	(1,819,642)	(1,819,642)	(663,158)	1,156,484
FUND BALANCE, July 1, 2023	1,819,642	1,819,642	2,289,982	470,340
FUND BALANCE, June 30, 2024	\$ -	\$ -	\$ 1,626,824	\$ 1,626,824

THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS ENDING JUNE 30

Three Rivers School District Proportionate Share of Net Pension (Liability) / Asset

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.20104887%	0.22596488%	0.2227861%	0.2396684%	0.2360184%	0.2485268%	0.2440468%	0.2437456%	0.2411978%	0.2689813%
District's proportion of the net pension asset/(liability)	\$ (37,657,833)	\$ (34,599,757)	\$ (26,659,650)	\$ (52,303,893)	\$ (40,825,524)	\$ (37,648,531)	\$ (32,897,601)	\$ (36,591,868)	\$ (13,848,281)	\$ 6,097,038
District's covered-employee payroll	\$ 33,368,229	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703	\$ 26,105,736	\$ 24,804,360	\$ 23,985,316	\$ 23,058,311
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-113%	-112%	-88.93%	-184.09%	-142.70%	-133.67%	-126.02%	-147.52%	-57.74%	26.44%
Plan fiduciary net position as a percentage of the total pension liability	81.70%	84.50%	87.57%	75.80%	80.20%	82.10%	83.10%	80.52%	91.88%	103.59%

Three Rivers School District Pension Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 4,523,144	\$ 4,409,581	\$ 4,276,914	\$ 4,722,996	\$ 4,520,220	\$ 2,806,404	\$ 3,805,443	\$ 2,403,712	\$ 2,376,272	\$ 2,695,646
Contribution in relation to the contractually required	(4,523,144)	(4,409,581)	(4,276,914)	(4,722,996)	(4,520,220)	(2,806,404)	(3,805,443)	(2,403,712)	(2,376,272)	(2,695,646)
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered - employee payroll	\$ 33,853,964	\$ 33,368,229	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703	\$ 26,105,736	\$ 24,804,360	\$ 23,985,316
Contributions as a percentage of covered-employee payroll	13.36%	13.21%	13.82%	15.75%	15.91%	9.81%	13.51%	9.21%	9.58%	11.24%

Notes to Schedule -

A summary of key changes implemented since the December 31, 2021 valuation are described in *Note 11* in the Notes to the Basic Financial Statements.

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB (RHIA)
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (RHIA)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

Three Rivers School District Proportionate Share of Net OPEB (Liability) / Asset

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB RHIA asset/(liability)	0.23796693%	0.19455365%	0.26300956%	0.55890575%	0.22720791%	0.27381244%	0.24284476%
District's proportion of the net OPEB RHIA asset/(liability)	\$ 871,354	\$ 691,318	\$ 903,176	\$ 1,138,828	\$ 439,048	\$ 305,649	\$ 101,349
District's covered-employee payroll	\$ 33,368,229	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703	\$ 26,105,736
District's proportionate share of the net OPEB RHIA asset/(liability) as a percentage of its covered-employee payroll	2.61%	2.23%	3.01%	4.01%	1.53%	1.09%	0.39%
Plan fiduciary net position as a percentage of the total pension liability	201.60%	194.60%	183.90%	150.10%	123.90%	123.90%	108.88%

Three Rivers School District Contributions

	2024	2023	2021	2021	2020	2019	2018
Contractually required contributions	\$ 861	\$ 4,689	\$ 4,795	\$ 7,037	\$ 39,912	\$ 112,609	\$ 132,581
Contribution in relation to the contractually required	(861)	(4,689)	(4,795)	(7,037)	(39,912)	(112,609)	(132,581)
Contributions deficiency (excess)	\$ -	-	-	-	-	-	-
District's covered - employee payroll	\$ 33,853,964	\$ 33,368,229	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703
Contributions as a percentage of covered-employee payroll	0.00%	0.01%	0.02%	0.02%	0.14%	0.39%	0.47%

Notes to Schedule -

A summary of assumption changes implemented since the December 31, 2021 valuation are outlined briefly in *Note 10* to the financial statements.

Other Information -

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 for RHIA during fiscal year 2018, as a result only seven years of information is presented

THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF CHANGE IN THE DISTRICT'S TOTAL PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total Pension Liability (Stipend):	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 49,569	\$ 114,018	\$ 142,549	\$ 118,390	\$ 114,386	\$ 188,346	\$ 183,752	\$ 183,752
Interest	81,747	99,275	69,753	66,457	97,343	122,524	124,163	121,038
Changes of benefit terms	-	(339,635)	-	-	-	-	-	-
Differences between expected and actual experience	-	(226,157)	-	279,788	-	(1,303,901)	-	-
Changes of assumptions of other inputs	(21,236)	8,647	(206,675)	(113,669)	200,109	13,240	(229,724)	-
Benefit payments	(243,521)	(252,885)	(228,683)	(228,595)	(258,300)	(239,991)	(218,597)	(182,640)
Net change in total pension liability (stipend)	\$ (133,441)	(596,737)	(223,056)	122,371	153,538	(1,219,782)	(140,406)	122,150
Total Pension Liability (Stipend) - beginning	<u>\$ 2,252,113</u>	<u>\$ 2,848,850</u>	<u>\$ 3,071,906</u>	<u>\$ 2,949,535</u>	<u>\$ 2,795,997</u>	<u>\$ 4,015,779</u>	<u>\$ 4,156,185</u>	<u>\$ 4,034,035</u>
Total Pension liability (Stipend) - ending	<u><u>\$ 2,118,672</u></u>	<u><u>\$ 2,252,113</u></u>	<u><u>\$ 2,848,850</u></u>	<u><u>\$ 3,071,906</u></u>	<u><u>\$ 2,949,535</u></u>	<u><u>\$ 2,795,997</u></u>	<u><u>\$ 4,015,779</u></u>	<u><u>\$ 4,156,185</u></u>
Estimated Covered - employee payroll	\$4,690,472	\$4,531,857	\$ 15,949,603	\$ 15,485,051	\$ 13,725,109	\$ 13,260,975	\$ 18,394,083	\$ 17,858,333
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	45.17%	49.70%	17.86%	19.84%	21.49%	21.08%	21.83%	23.27%

Notes to Schedule -

A summary of assumption changes implemented since the July 1, 2020 valuation are outlined briefly in *Note 11* in Notes to the Basic Financial Statements.

Other Information -

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 73 during fiscal 2017, as a result, only eight years of information is presented.

THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total OPEB Liability (Medical):	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 262,059	\$ 229,064	\$ 278,978	\$ 272,503	\$ 263,288	\$ 312,031	\$ 304,420	\$ 304,420
Interest	179,223	172,353	120,153	141,286	264,579	197,233	206,268	212,474
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	87,912	-	(748,780)	-	646,560	-	-
Changes of assumptions of other inputs	(69,533)	(330,254)	(394,875)	(209,678)	378,836	(1,182,792)	(297,175)	-
Benefit payments	(339,409)	(334,930)	(405,282)	(396,830)	(635,259)	(603,154)	(745,833)	(701,693)
Net change in total OPEB liability	32,340	(175,855)	(401,026)	(941,499)	271,444	(630,122)	(532,320)	(184,799)
Total OPEB liability - beginning	\$ 4,686,928	\$ 4,862,783	\$ 5,263,809	\$ 6,205,308	\$ 5,933,864	\$ 6,563,986	\$ 7,096,306	\$ 7,281,105
Total OPEB liability - ending	<u>\$ 4,719,268</u>	<u>\$ 4,686,928</u>	<u>\$ 4,862,783</u>	<u>\$ 5,263,809</u>	<u>\$ 6,205,308</u>	<u>\$ 5,933,864</u>	<u>\$ 6,563,986</u>	<u>\$ 7,096,306</u>
Estimated Covered - employee payroll	\$34,852,541	\$33,613,674	\$32,444,101	\$29,077,224	\$29,223,661	\$28,235,421	\$31,872,867	\$30,944,531
Total OPEB liability as a percentage of estimated covered - employee payroll	13.54%	13.94%	14.99%	18.10%	21.23%	21.02%	20.59%	22.93%

Notes to Schedule -

A summary of assumption changes implemented since the July 1, 2020 valuation are outlined briefly in *Note 10* in Notes to the Basic Financial Statements.

Other Information -

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2017, as a result, only eight years of information are presented.



| OTHER SUPPLEMENTARY INFORMATION

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FISCAL YEAR END JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Interest on investments	\$ 50,000	\$ 50,000	\$ 92,060	\$ 42,060
Services provided other funds	3,039,031	3,039,031	3,110,945	71,914
TOTAL REVENUES	3,089,031	3,089,031	3,203,005	113,974
EXPENDITURES				
Debt service:				
Principal and interest	3,291,209	3,291,209	3,281,339	9,870
Contingency	202,525	202,525	-	202,525
TOTAL EXPENDITURES	3,493,734	3,493,734	3,281,339	212,395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(404,703)	(404,703)	(78,334)	326,369
OTHER FINANCING SOURCES (USES):				
Transfers in	152,500	152,500	152,500	-
TOTAL OTHER FINANCING SOURCES (USES)	152,500	152,500	152,500	-
NET CHANGE IN FUND BALANCE	(252,203)	(252,203)	74,166	326,369
FUND BALANCE, July 1, 2023	252,203	252,203	255,326	3,123
FUND BALANCE, June 30, 2024	\$ -	\$ -	\$ 329,492	\$ 329,492

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FISCAL YEAR END JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Construction excise tax	\$ 260,000	\$ 260,000	\$ 227,763	\$ (32,237)
Interest on investments	22,000	22,000	65,721	43,721
Miscellaneous	237,000	237,000	588,315	351,315
State sources:				
Intergovernmental	4,926,601	4,926,601	2,461,477	(2,465,124)
TOTAL REVENUES	5,445,601	5,445,601	3,343,276	(2,102,325)
EXPENDITURES				
Current:				
Support services	4,588,044	4,588,044	832,755	3,755,289
Facilities acquisition and construction	5,146,601	5,146,601	3,819,551	1,327,050
Contingency	1,068,154	1,068,154	-	1,068,154
TOTAL EXPENDITURES	10,802,799	10,802,799	4,652,306	6,150,493
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,357,198)	(5,357,198)	(1,309,030)	4,048,168
OTHER FINANCING SOURCES (USES):				
Proceeds from long term debt	1,000,000	1,000,000	-	(1,000,000)
Proceeds from sale of capital assets	-	-	12,011	12,011
Transfers in	640,000	640,000	640,000	-
TOTAL OTHER FINANCING SOURCES (USES)	1,640,000	1,640,000	652,011	(987,989)
NET CHANGE IN FUND BALANCE	(3,717,198)	(3,717,198)	(657,019)	3,060,179
FUND BALANCE, July 1, 2023	3,717,198	3,717,198	2,644,102	(1,073,096)
FUND BALANCE, June 30, 2024	\$ -	\$ -	\$ 1,987,083	\$ 1,987,083

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
SELF-INSURANCE FUND
FISCAL YEAR END JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Interest on investments	\$ 6,000	\$ 6,000	\$ 19,154	\$ 13,154
Self insurance revenues	804,755	804,755	595,312	(209,443)
TOTAL REVENUES	810,755	810,755	614,466	(196,289)
EXPENDITURES				
Current:				
Support services	1,183,367	1,183,367	649,999	533,368
Contingency	1,468,289	1,468,289	-	1,468,289
TOTAL EXPENDITURES	2,651,656	2,651,656	649,999	2,001,657
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,840,901)	(1,840,901)	(35,533)	1,805,368
OTHER FINANCING SOURCES (USES):				
Transfers in	30,000	30,000	30,000	-
TOTAL OTHER FINANCING SOURCES (USES)	30,000	30,000	30,000	-
NET CHANGE IN NET POSITION	(1,810,901)	(1,810,901)	(5,533)	1,805,368
FUND BALANCE, July 1, 2023	1,810,901	1,810,901	1,773,017	(37,884)
FUND BALANCE, June 30, 2024	\$ -	\$ -	\$ 1,767,484	\$ 1,767,484

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
TRUST AND AGENCY SCHOLARSHIP FUND
FISCAL YEAR END JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Donations	\$ -	\$ -	\$ 1,000	\$ 1,000
Interest on investments	27	27	245	218
TOTAL REVENUES	27	27	1,245	1,218
EXPENDITURES				
Current:				
Instruction	3,624	3,624	153	3,471
TOTAL EXPENDITURES	3,624	3,624	153	3,471
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,597)	(3,597)	1,092	4,689
FUND BALANCE, July 1, 2023	3,597	3,597	4,098	501
FUND BALANCE, June 30, 2024	\$ -	\$ -	\$ 5,190	\$ 5,190



| OTHER FINANCIAL SCHEDULES



| SCHOOL DISTRICT FINANCIAL ACCOUNTING SUMMARIES

**2023 - 2024 DISTRICT AUDIT REVENUE SUMMARY
THREE RIVERS SCHOOL DISTRICT**

Revenue from Local Sources

1110 Ad Valorem Taxes Levied by District
1120 Local Option Ad Valorem Taxes Levied by District
1130 Construction Excise Tax
1200 Rev from Local Gov't Units Other Than Districts
1310 Regular Day School Tuition
1320 Adult/Continuing Education Tuition
1330 Summer School Tuition
1400 Local & Federal Sources
1500 Earnings on Investments
1600 Food Service
1700 Extracurricular Activities
1800 Community Services Activities
1910 Rentals
1920 Contributions and Donations From Private Sources
1930 Rental or Lease Payments From Private Contractors
1940 Services Provided Other Local Education Agencies
1950 Textbook Sales and Rentals
1960 Recovery of Prior Years' Expenditure
1970 Services Provided Other Funds
1980 Fees Charged to Grants
1990 Miscellaneous

Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
20,454,976						
			227,763			
51,421						
801,433	6,449	92,060	65,721		19,154	245
	14,895					
	1,141,346				69,456	
32,046						
1,560	89,860					1,000
391						
		3,110,945				
					482,859	
285,995	30,904		588,315		42,997	

Total Revenue from Local Sources \$ 21,627,822 \$ 1,283,454 \$ 3,203,005 \$ 881,799 \$ - \$ 614,466 \$ 1,245

Revenue from Intermediate Sources

2101 County School Funds
2102 Education Service District Apportionment
2105 Natural Gas, Oil, and Mineral Receipts
2199 Other Intermediate Sources
2200 Restricted Revenue
2800 Revenue in Lieu of Taxes
2900 Revenue for/on Behalf of the District

Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
777,291						
4,092						
	9,235					

Total Revenue from Intermediate Sources \$ 781,383 \$ 9,235 \$ - \$ - \$ - \$ - \$ -

Revenue from State Sources

3101 State School Fund - General Support
3103 Common School Fund
3104 State Managed County Timber
3299 Other Restricted Grants-in-Aid

Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
37,453,612						
613,118						
140,054	6,253,331		2,461,477			

Total Revenue from State Sources \$ 38,206,784 \$ 6,253,331 \$ - \$ 2,461,477 \$ - \$ - \$ -

Revenue from Federal Sources

4100 Unrestricted Revenue Direct From the Federal Government
4200 Unrestricted Revenue From the Federal Government Through the State
4500 Restricted Revenue From the Federal Government Through the State
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies
4801 Federal Forest Fees
4802 Impact Aid to School Districts for Operation (PL 874)
4803 Coos Bay Wagon Road Funds
4899 Other Revenue in Lieu of Taxes
4900 Revenue for/on Behalf of the District

Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
196,355	15,072,765					
97,561						
	95,555					

Total Revenue from Federal Sources \$ 293,916 \$ 15,168,320 \$ - \$ - \$ - \$ - \$ -

Revenue from Other Sources

5100 Long Term Debt Financing Sources
5200 Interfund Transfers
5300 Sale of or Compensation for Loss of Fixed Assets
5400 Resources - Beginning Fund Balance

Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
	19,158	152,500	640,000		30,000	
			12,011			
11,039,103	2,289,982	255,326	2,644,102		1,773,017	4,098

Total Revenue from Other Sources \$ 11,039,103 \$ 2,309,140 \$ 407,826 \$ 3,296,113 \$ - \$ 1,803,017 \$ 4,098

Grand Totals

\$ 71,949,008	\$ 25,023,480	\$ 3,610,831	\$ 6,639,389	\$ -	\$ 2,417,483	\$ 5,343
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**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY
THREE RIVERS SCHOOL DISTRICT**

Fund: 100 - General Fund

Instruction Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	8,591,318	5,248,630	2,976,246	255,977	110,465		
1113 Elementary Extracurricular							
1121 Middle/Junior High Programs	3,844,494	2,393,443	1,284,084	140,723	26,244		
1122 Middle/Junior High School Extracurricular	146,578	114,060	32,190		328		
1131 High School Program	5,814,296	3,436,865	2,004,651	224,881	136,574		11,325
1132 High School Extracurricular	1,339,454	748,002	258,808	94,790	181,014		56,840
1140 Pre-Kindergarten Programs							
1210 Programs for the Talented and Gifted							
1220 Restrictive Programs for Students with Disabilities	3,919,850	2,579,201	1,286,189	37,164	17,296		
1250 Less Restrictive Programs for Students with Disabilities	3,944,436	2,108,278	1,129,556	700,387	6,215		
1260 Early Intervention							
1271 Remediation							
1272 Title I							
1280 Alternative Education	4,548,186	573,733	277,170	3,642,818	47,497		6,968
1291 English Second Language Programs	350,439	219,579	126,457	1,834	2,569		
1292 Teen Parent Program							
1293 Migrant Education							
1294 Youth Corrections Education							
1299 Other Programs							
1300 Adult/Continuing Education Programs							
1400 Summer School Programs							
Total Instruction Expenditures	\$ 32,499,051	\$ 17,421,791	\$ 9,375,351	\$ 5,098,574	\$ 528,202	\$ -	\$ 75,133

Support Services Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	11,337		320	11,017			
2120 Guidance Services	1,286,372	822,122	452,548	9,129	2,219	354	
2130 Health Services	34,112	375	71	32,372	1,294		
2140 Psychological Services							
2150 Speech Pathology and Audiology Services							
2160 Other Student Treatment Services							
2190 Service Direction, Student Support Services	548,000	296,759	168,454	68,847	13,196	744	
2210 Improvement of Instruction Services	233,443	129,573	78,682	9,163	14,415	1,610	
2220 Educational Media Services	918,389	424,077	261,590	119,219	113,503		
2230 Assessment & Testing							
2240 Instructional Staff Development							
2310 Board of Education Services	134,682	24,663	14,511	86,775	464	8,269	
2320 Executive Administration Services	428,087	265,033	154,206	1,711	5,585	1,552	
2410 Office of the Principal Services	6,639,448	3,881,288	2,251,399	140,975	328,649	7,893	29,244
2490 Other Support Services - School Administration							
2510 Direction of Business Support Services							
2520 Fiscal Services	1,198,537	357,769	172,765	88,806	12,863	566,334	
2540 Operation and Maintenance of Plant Services	8,434,760	2,686,358	1,680,475	3,177,597	555,892	305,036	29,402
2550 Student Transportation Services	5,602,934	18,454	10,235	5,574,245			
2570 Internal Services	148,454	84,213	52,197	9,156	2,888		
2610 Direction of Central Support Services							
2630 Information Services	144,258	78,715	35,393	4,452	25,013	685	
2640 Staff Services	752,923	420,067	189,996	116,035	12,334	14,491	
2660 Technology Services	1,559,123	598,247	332,969	352,536	126,594	148,132	645
2670 Records Management Services							
2680 Translation Services							
2690 Other Support Services - Central							
2700 Supplemental Retirement Program	429,321	300,730	128,591				
Total Support Services Expenditures	\$ 28,504,180	\$ 10,388,443	\$ 5,984,082	\$ 9,791,338	\$ 1,225,926	\$ 461,061	\$ 653,330

Enterprise and Community Services Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services							
3200 Other Enterprise Services							
3300 Community Services							
3500 Custody and Care of Children Services							

Total Enterprise and Community Services Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Facilities Acquisition and Construction Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction							
4120 Site Acquisition and Development Services							
4150 Building Acquisition, Construction, and Improvement Services							
4190 Other Facilities Construction Services							

Total Facilities Acquisition and Construction Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Other Uses Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service							
5200 Transfers of Funds	841,658						841,658
5300 Apportionment of Funds by ESD							
5400 PERS UAL Bond Lump Sum							

Total Other Uses Expenditures \$ 841,658 \$ - \$ - \$ - \$ - \$ - \$ - \$ 841,658

Grand Total

\$ 61,844,889	\$ 27,810,234	\$ 15,359,433	\$ 14,889,912	\$ 1,754,128	\$ 461,061	\$ 728,463	\$ 841,658
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**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY
THREE RIVERS SCHOOL DISTRICT**

Fund: 200 - Special Revenue

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	1,517,007	919,667	511,984	14,862	70,494			
1112 Intermediate Programs								
1113 Elementary Extracurricular	169,553			30,141	118,680		20,732	
1121 Middle/Junior High Programs	931,425	478,802	281,886	77,865	91,240		1,632	
1122 Middle/Junior High School Extracurricular	178,508			15,729	112,457		50,322	
1131 Local and Federal Sources	1,101,234	518,406	298,886	67,888	215,629		425	
1132 High School Extracurricular	919,141	2,521	941	90,440	550,789	7,255	267,195	
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities	125,452	60,445	48,444	3,886	12,677			
1250 Less Restrictive Programs for Students with Disabilities	1,382,031	810,088	427,358	80,113	26,308		38,164	
1260 Early Intervention								
1271 Remediation								
1272 Title I	1,507,663	795,751	295,086	105,443	305,043	6,340		
1280 Alternative Education	1,114,734	282,344	154,270	656,870	20,950		300	
1291 English Second Language Programs	178,088	676	12	154,001				23,399
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
Total Instruction Expenditures	\$ 9,918,690	\$ 4,184,799	\$ 2,132,306	\$ 1,591,830	\$ 1,567,083	\$ 13,595	\$ 405,678	\$ 23,399

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	404,147	104,534	53,917	179,214	39,025	25,599	1,858	
2120 Guidance Services	1,340,888	697,583	403,153	14,854	209,210		13,988	2,100
2130 Health Services	72,288			72,288				
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services	247,034	74,221	40,342	131,065	1,406			
2210 Improvement of Instruction Services	1,723,529	870,229	436,821	76,478	117,409		222,592	
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development	151,377	35,896	14,561	83,519	8,416		8,985	
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services	78,270	8,422	2,290	63,846	1,582		2,130	
2490 Other Support Services - School Administration	41,054						41,054	
2510 Direction of Business Support Services								
2520 Fiscal Services	20,587						20,587	
2540 Operation and Maintenance of Plant Services	196,955			9,888	55,595	131,222	250	
2550 Student Transportation Services	664,802			664,802				
2570 Internal Services								
2610 Direction of Central Support Services								
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services								
2640 Staff Services	281,394	54,005	21,725	71,316	102,348		32,000	
2660 Technology Services	228,624			35	228,589			
2670 Records Management Services								
2690 Other Support Services - Central	96,680						96,680	
2700 Supplemental Retirement Program								
Total Support Services Expenditures	\$ 5,547,629	\$ 1,844,890	\$ 972,809	\$ 1,367,305	\$ 763,580	\$ 156,821	\$ 440,124	\$ 2,100

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	2,637,488	907,391	427,575	1,233,518	57,837		11,167	
3200 Other Enterprise Services								
3300 Community Services	67,885	4,632	1,606	19,733	41,914			
3500 Custody and Care of Children Services								
Total Enterprise and Community Services Expenditures	\$ 2,705,373	\$ 912,023	\$ 429,181	\$ 1,253,251	\$ 99,751	\$ -	\$ 11,167	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services	5,224,964	1,272	508	442,246	44,929	4,715,126	20,883	
4190 Other Facilities Construction Services								
Total Facilities Acquisition and Construction Expenditures	\$ 5,224,964	\$ 1,272	\$ 508	\$ 442,246	\$ 44,929	\$ 4,715,126	\$ 20,883	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Grand Total

\$ 23,396,656	\$ 6,942,984	\$ 3,534,804	\$ 4,654,632	\$ 2,475,343	\$ 4,885,542	\$ 877,852	\$ 25,499
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**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY
THREE RIVERS SCHOOL DISTRICT**

Fund: 300 - Debt Service

Instruction Expenditures

1111 Primary, K-3
1113 Elementary Extracurricular
1121 Middle/Junior High Programs
1122 Middle/Junior High School Extracurricular
1131 High School Program
1132 High School Extracurricular
1140 Pre-Kindergarten Programs
1210 Programs for the Talented and Gifted
1220 Restrictive Programs for Students with Disabilities
1250 Less Restrictive Programs for Students with Disabilities
1260 Early Intervention
1271 Remediation
1272 Title I
1280 Alternative Education
1291 English Second Language Programs
1292 Teen Parent Program
1293 Migrant Education
1294 Youth Corrections Education
1299 Other Programs
1300 Adult/Continuing Education Programs
1400 Summer School Programs

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Instruction Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Support Services Expenditures

2110 Attendance and Social Work Services
2120 Guidance Services
2130 Health Services
2140 Psychological Services
2150 Speech Pathology and Audiology Services
2160 Other Student Treatment Services
2190 Service Direction, Student Support Services
2210 Improvement of Instruction Services
2220 Educational Media Services
2230 Assessment & Testing
2240 Instructional Staff Development
2310 Board of Education Services
2320 Executive Administration Services
2410 Office of the Principal Services
2490 Other Support Services - School Administration
2510 Direction of Business Support Services
2520 Fiscal Services
2540 Operation and Maintenance of Plant Services
2550 Student Transportation Services
2570 Internal Services
2610 Direction of Central Support Services
2630 Information Services
2640 Staff Services
2660 Technology Services
2670 Records Management Services
2680 Translation Services
2690 Other Support Services - Central
2700 Supplemental Retirement Program

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Support Services Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Enterprise and Community Services Expenditures

3100 Food Services
3200 Other Enterprise Services
3300 Community Services
3500 Custody and Care of Children Services

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Enterprise and Community Services Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Facilities Acquisition and Construction Expenditures

4110 Service Area Direction
4120 Site Acquisition and Development Services
4150 Building Acquisition, Construction, and Improvement Services
4190 Other Facilities Construction Services

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Facilities Acquisition and Construction Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Other Uses Expenditures

5100 Debt Service
5200 Transfers of Funds
5300 Apportionment of Funds by ESD
5400 PERS UAL Bond Lump Sum

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3,281,339						3,281,339	
\$ 3,281,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,281,339	\$ -

Total Other Uses Expenditures \$ 3,281,339 \$ - \$ - \$ - \$ - \$ - \$ 3,281,339

Grand Total

\$ 3,281,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,281,339	\$ -
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**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY
THREE RIVERS SCHOOL DISTRICT**

Fund: 400 - Capital Projects

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3								
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs								
1122 Middle/Junior High School Extracurricular								
1131 High School Program								
1132 High School Extracurricular								
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities								
1260 Early Intervention								
1271 Remediation								
1272 Title I								
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services								
2120 Guidance Services								
2130 Health Services								
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services								
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development								
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services	832,755			211,745	32,606	453,725	134,679	
2550 Student Transportation Services								
2570 Internal Services								
2610 Direction of Central Support Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services								
2670 Records Management Services								
2680 Translation Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
Total Support Services Expenditures	\$ 832,755	\$ -	\$ -	\$ 211,745	\$ 32,606	\$ 453,725	\$ 134,679	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services	3,819,551			436,557		3,340,495	42,499	
4190 Other Facilities Construction Services								
Total Facilities Acquisition and Construction Expenditures	\$ 3,819,551	\$ -	\$ -	\$ 436,557	\$ -	\$ 3,340,495	\$ 42,499	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Grand Total

\$ 4,652,306	\$ -	\$ -	\$ 648,302	\$ 32,606	\$ 3,794,220	\$ 177,178	\$ -
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SUPPLEMENTAL INFORMATION, 2023-2024

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

Part A is needed for computing Oregon's full allocation for ESEA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:

Please enter your expenditures for electricity & heating fuel for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 346,869
Function 2550	\$ 0

B. Replacement of Equipment – General Fund:

Include all General Fund expenditures in object 542, except for the following exclusions:

\$ 196,005

Exclude these functions:

1113, 1122 & 1132	Co-curricular Activities
1140	Pre-Kindergarten
1300	Continuing Education
1400	Summer School
2550	Pupil Transportation
3100	Food Service
3300	Community Services
4150	Construction

** Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*



**| INDEPENDENT AUDITOR'S
REPORT REQUIRED BY OREGON
STATE REGULATIONS**



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Education
Three Rivers School District
Murphy, Oregon

We have audited the basic financial statements of Three Rivers School District (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 11, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures but were not limited to the following:

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds under ORS Chapter 294.
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State School Fund distribution factors and calculation.

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in Note 1 of the financial statements.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's

internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Restrictions On Use

This report is intended solely for the information and use of the District's Board, Management of the District and the State of Oregon, Division of Audits and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny L. Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 11, 2024



| ITEMS REQUIRED BY THE UNIFORM GUIDANCE



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Education
Three Rivers School District
Murphy, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Three River School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclose no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 11, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education
Three Rivers School District
Murphy, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Three River School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 11, 2024

THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through Oregon State Department of Education:			
TITLE I - Grants to Local Education Agencies			
Title I Grants to Local Educational Agencies	84.010	67089	\$ 20,960
Title I Grants to Local Educational Agencies	84.010	72630	451,653
Title I Grants to Local Educational Agencies	84.010	76595	2,273,134
Title I Grants to Local Educational Agencies	84.010	68019	57,840
Total AL 84.010			<u>2,803,587</u>
Supporting Effective Instruction State Grant	84.367	67523	67,005
Supporting Effective Instruction State Grant	84.367	72827	119,037
Supporting Effective Instruction State Grant	84.367	76792	286,098
Total AL 84.367			<u>472,140</u>
Student Support and Academic Enrichment Program	84.424	73024	101,714
Student Support and Academic Enrichment Program	84.424	77209	10,520
Total AL 84.424			<u>112,234</u>
COVID-19 Education Stabilization Fund -			
ARP Homeless Children & Youth	84.425	69311	29,699
COVID-19 Education Stabilization Fund -			
ARP Homeless Children & Youth	84.425	69411	95,474
COVID-19 Education Stabilization Fund - Elementary			
and Secondary School Emergency Relief Fund	84.425D	64698	2,523,762
COVID-19 Education Stabilization Fund - Elementary			
and Secondary School Emergency Relief Fund	84.425D	64786	143,798
COVID-19 Education Stabilization Fund - American Rescue Plan -			
Elementary and Secondary School Emergency Relief Fund	84.425U	65002	5,896,696
Total AL 84.425			<u>8,689,429</u>
Special Education - Preschool grants	84.173	74318	6,198
Special Education - Grants to State	84.027	74141	310,923
COVID-19 Special Education - Grants to State	84.027	78077	636,595
Total Special Education Cluster (IDEA)			<u>953,716</u>
21st Century Community Learning	84.287	75207	73,314
Total AL 84.287			<u>73,314</u>
Rehabilitation Services - Vocational Rehabilitation Grants to State	84.126A	160754	116,931
Total AL 84.126A			<u>116,931</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>13,221,351</u>

THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For The Year Ended June 30, 2024

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Oregon State Department of Education:			
Foster Care - Title IV-E	93.658	71763	<u>190,157</u>
Total AL 93.658			<u>190,157</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>190,157</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Oregon State Department of Education:			
Child Nutrition Cluster			
National School Breakfast Program	10.553	N/A	407,022
Supply Chain Assistance	10.555	N/A	27,285
National School Lunch Program	10.555	N/A	1,361,172
National School Lunch Program (Commodities)	10.555	N/A	95,555
CNP Fresh Fruit & Vegetable Program	10.582	N/A	<u>50,046</u>
Total Child Nutrition Cluster			<u>1,941,080</u>
Child and Adult Care Food Program - Cash Commodities	10.558	N/A	8,172
Child and Adult Care Food Program	10.558	N/A	<u>659</u>
Total AL 10.558			<u>8,831</u>
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT)			
Administrative Costs Grant	10.649	N/A	<u>3,256</u>
Total AL 10.649			<u>3,256</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,050,728</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 15,462,236</u>
Passed Through Josephine County:			
Schools and Roads - Grants to States	10.665	N/A	<u>\$ 97,561</u>
Total Forest Service Schools and Roads Cluster			<u>97,561</u>

See notes to Schedule of Expenditures of Federal Awards

THREE RIVERS SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2024

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in fund balance of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE:

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D – FOOD DISTRIBUTION:

Non-monetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling \$95,555.

NOTE E – SUBRECIPIENTS:

There were no awards passed through to subrecipients.

NOTE F – SCHOOLS AND ROADS – GRANTS TO STATES:

The District includes Schools and Roads – Grants to States in the schedule due to requirements of the Oregon Department of Education. These expenditures are not subject to the Uniform Guidance audit due to treatment based on guidance provided by both the Oregon Department of Education and United States Department of Agriculture.

**THREE RIVERS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Three Rivers School District were prepared in accordance with GAAP.
2. No significant deficiencies or material weakness in internal controls were disclosed by the audit of the financial statements of Three Rivers School District.
3. No instances of noncompliance material to the financial statements of Three Rivers School District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FEDERAL AWARDS

1. No significant deficiencies or material weaknesses in internal control over major federal programs were disclosed by the audit.
2. The auditor's report on compliance for the major federal award programs for Three Rivers School District expresses an unmodified opinion on all major federal programs.
3. The audit disclosed no findings that are required to be reported in accordance with 2 CFR section 200.516(a).
4. The programs tested as a major program include:

US Department of Education

Education Stabilization Fund

AL # 84.425

5. The threshold for distinguishing Types A and B Programs was \$750,000.
6. Three Rivers School District qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None